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密勒氏評論報

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES TEN DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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WASHINGTON OFFICE
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Colorado Building, Washington, D. C.

JEROME D. GREENE'S STRANGE IDEAS ON TREATY SANCTITY

MR. JEROME D. GREENE, Chairman of the Institute of Pacific Relations, who was in China for a considerable period last fall in connection with the meeting of the Institute at Shanghai has been responsible for a strange statement in connection with Secretary Stimson's efforts to uphold the sanctity of treaties in respect to the Manchurian situation. Mr. Greene's complete address is not available but the following extract was given prominence in the July 1 *Bulletin* of the American Chamber of Commerce at Shanghai,

> "To sum up, the imperfections of China's sovereignty are the fundamental cause of her difficulties with Japan, as with other countries. Japan's handling of her grievances against China has been seriously compromised by the emergence of the military authority and by its rather typical disregard of the civil government and of international obligations when in conflict with its own view of military necessity. The attitude of the United States in limiting its concern to the protection of American nationals and interests has been wise, but the Department of State has gone too far in saying it would not recognize any arrangement arrived at through a breach of the Pact of Paris. A RESERVATION of the American position in this regard would have been sufficient. The Department also erred in implying that the Nine-Power Treaty engaged its signatories to an INDEFINITE tolerance of the duration or amount of grievances occasioned by China's lack of effective sovereignty. The existing machinery of peace seems inadequate to deal with a dispute beween two Powers one of which is lacking in effective authority and responsibility. The alternatives must be either international intervention through the League or direct action by the aggrieved State but with notice to the League and accountability to it."

Coming from the President of the Institute of Pacific Relations, an organization that should maintain a neutral attitude, Mr. Greene's declaration on the question of Japan's violation of the treaties is nothing short of unusual, to use a mild expression. But stranger yet is his declaration that "imperfections of China's sovereignty are the fundamental cause of her difficulties with Japan." Only in the sense that China is a weak country incapable of defending herself against the Japanese aggressor, can this statement be true. Had China possessed a strong central government and powerful army and navy, we may be assured that Japan never would have ventured into Manchuria or attempted the Shanghai intervention last January. But Japan doesn't want China to have a strong government capable of

defending itself against outside aggression, which fact is evidenced in Japan's long-continued refusal to revise her treaties, particularly the treaty dealing with exterritoriality. The Japanese for the past quarter century have worked to control China's major industries and resources and at the same time have spent millions of yen in intrigue in China with the object of ham-stringing the Chinese Government and keeping China from developing into a strong modern state. As to Mr. Greene's criticism of Secretary Stimson for trying to uphold the Kellogg Anti-War Pact and the Nine-Power Treaty, we have no comment, since his words speak for themselves. They might have been written by any one of the horde of Japanese propagandists who have kept the atmosphere beclouded on the Manchurian issue for many months. The only strange phase is that the words came from Mr. Greene, the head of an organization which is supposed to maintain an impartial attitude on these questions.

THE MATTER OF THE JAPANESE SECRET DOCUMENTS

SEVERAL weeks ago, or to be exact, on May 21, *The Review* published several articles based on so-called "strictly confidential" documents from Japanese archives which came into our possession entirely legitimately from certain unnamed Japanese sources. Since the publication of these articles, *The Review* has received, or at least has been "offered for a consideration" further documents allegedly of a startling nature, many of which have consisted of private correspondence from certain Japanese governmental or semi-official organs in Manchuria. It is not the function of *The Review* to dig into and expose the "secret and confidential" correspondence files of the Japanese or anyone else because Japanese actions are sufficiently obvious for most intelligent persons to understand what is going on, without going to the pains of exposing private correspondence of Japanese officials or foreign propagandists in the pay of the Japanese. It might be remarked in passing, however, that from present indications it appears that the supply of "secret and confidential" Japanese documents will shortly be as voluminous as those which have deluged newspaper offices in recent years from Russian sources.

These remarks are inspired by the receipt of another document of more than usual interest in that it consists of an alleged "confidential" address which was delivered by Vice-Admiral Imamura of the Imperial Japanese Navy to the Japanese residents of Sidney, Australia on May 21. This report also came to *The Review* from certain Japanese sources which allegedly are opposed to the present military clique which controls the Japanese Government, hence must be read with that reservation in mind. The exact text is as follows:

CONFIDENTIAL

(Address of Vice-Admiral Imamura before a secret meeting of Japanese Residents of Sidney, Australia on May 21, 1932:

"I have been instructed by our Emperor, the late Premier, and Councillors, to inform you of our inability to consummate by military force our desire to possess a ruling interest and trade control of the Chinese Industries which has been our object from the standpoint of a national defence to the Japanese Empire.

"Owing to the financial conditions which have developed in America, our financial advisers were unable to arrange with the group of financial companies who had promised to support our Government for certain trade concessions, we were therefore compelled to withdraw our forces, for the sake of self-preservation, and to prevent our country being brought into a serious and precarious situation through not being fully prepared, and not having resources at our command to complete our objective.

"Our Councillors also received information that Great Britain was secretly increasing the strength of their Navies in the Mediterranean, and that strong military forces were shipped to India, with the obvious object of using these forces against our country, in the event of our success against the Chinese.

"Great Britain is fully determined to give China their national rights, and should the League of Nations Inquiry Committees fail to bring about the wishes of their Council, they will undoubtedly decide according to circumstances, to assist China in defence of the Chinese territory.

"Our Government and Councillors, however, are fully decided to carry out their plans to keep control of the Chinese Industries, and to prevent any displacement of Japanese trade.

"The Chinese National Government, however, are fully determined to develope their industries, and under the present conditions, it is the duty of all Japanese Nationals now to endeavor to give to their utmost capabilities, and to assist in every possible way to forestall China in their industrial developement.

"Our Government and Councillors have decided upon a policy which may yet gain us the power to penetrate into China, and to secure for the Japanese Nationals many rights and priveleges which other Nations will not dare to violate. The Policy of our Councillors is that all Japanese Nationals who are domiciled in the Colonies of Great Britain are to investigate conditions and possibilities, in Commerce and Manufactures, and to spare no energy to obtain information regarding development of trade in China; to develope social and business friendships with Scientific and Technical Professionals who have gained prominence by their capabilities, and when the opportunity presents itself, to make known their desire, and the actual advantages to be gained by assisting the Japanese Nation.

"It has been decided to put forward a policy of preventing the Chinese from gaining the scientific knowledge necessary to develope their industries and to re-establish a gradual reconstructional developement of Japanese Industries, upon the latest scientific and technical knowledge, and to again seek the aid of British Scientific men, who are capable of rebuilding National Industries.

"We therefore ask you, our fellow men, countrymen, to use your energy for the benefit of your country, and to keep in touch with your Consul, who will at all times be grateful for information."

The fact that these "secret and confidential" documents pertaining to Japanese affairs are now beginning to appear in the newspapers is the best possible indication that all is not going well in the inner-workings of the Japanese ship of state, further evidence of which is indicated in the following report under the heading "Plot Sensation," which appeared in the *Japan Chronicle*, the well known British paper at Kobe, on July 6:

According to the *Yomiuri*, the Japanese special-service organ at Peiping has just brought to light a big plot engineered by Japanese to overthrow Manchukuo. A lengthy telegram describing the progress of this plot is said to have been wired to the War Office, the Foreign Office and other official quarters.

The Tokyo journal learns that two Japanese who are most closely interested in the plot are Toyoji Eto, president of the Sino-Japanese Business Association, and Masanori Ikeda, both old residents of Peiping.

They have always been on intimate terms with General Chang Hsueh-liang, who has supplied the sum of about Yen. 600,000 to finance their plot. With this money, they have been trying to bribe Japanese military attaches and other members of the staff of the Japanese Legation to secure information about the Manchuria policy of the Japanese Government. During the stay of the Lytton Commission at Peiping, these individuals did their best to give it the false impression that Japan is inwardly desirous of getting General Chang Hsueh-liang back into power in Manchuria and that the large majority of the Japanese people are hostile to the Japanese military action in Manchuria.

They visited Tokyo several times, armed with large sums of money, and saw political and business leaders to enlist their support for their movement for the reinstatement of General Chang in Manchuria. When they found that their movement had no chance of success in Japan, they attempted to establish an information institute in Peiping under the guise of a hospital, with the sum of about Yen 300,000 supplied by General Chang.

The War Office takes a very serious view of the revelations and has instituted a close investigation of the matter.

It is further alleged that many Japanese women are concerned in the plot. The military authorities suspect that a certain retired Japanese Colonel, who was formerly a military adviser to the late Marshal Chang Tso-lin and General Chang Hsueh-liang, is in the background.

A MOVEMENT TO ABOLISH THE TAEL

MR. T. V. SOONG, the Minister of Finance, with the approval of the foreign-style Chinese bankers has lately started a campaign to abolish the tael and it is to be hoped that he and these bankers will keep at it and accomplish their object this time. The abolition of the tael has frequently been talked about but something has always happened to delay this very laudatory change in China's currency. The reason for the continued existence of the tael during all these years has been the same as the reason for the existence of very many other archaic things namely that their continuance provided a means of profit for this or that group of people. As regards the tael its existence has been a source of profit to the bankers themselves and for this reason they have up until this time been very lukewarm in their support of the project to abolish it. The old type of Chinese bankers still oppose the change. It is to be noted that it is the modernized foreign-style bankers that approve the change. But something has been happening of late which, while it has not stopped the source of profit, has played havoc with calculations for future transactions, so much so that the modern Chinese bankers themselves have come to the conclusion that now would be a convenient time to end the regime of the tael entirely.

For the benefit of readers who are not acquainted with the vagaries of China's rather complicated monetary system let it be stated that the "tael" (pronounced as though spelled tail, and frequently misspelled, particularly in the United States as teal which is a certain kind of small duck very prevalent in this locality) is a rather illusory sort of a monetary standard. It is supposed to be a Chinese "ounce" of silver, but different localities have their own ideas of what an ounce is, so that a Shanghai tael, a Hankow tael, and the many other varieties of taels all have different values.

The tael has never been coined. In every day life the current coin is a silver dollar about the same size as an American dollar, first introduced from Mexico, but now coined exclusively by the Chinese themselves, with Chinese design and nomenclature. As a matter of fact the great mass of people in China do not figure in dollars, but in copper coins, of which something like 280 go to the dollar. In between the dollar and the copper coins there is subsidiary silver, called in common parlance "small money," of which in theory five go to the dollar, that is each is a twenty-cent piece. But as with many other things in China it is not what it appears to be, so that when a dollar is presented to one of the ten thousand establishments in Shanghai that make a profit from exchanging money (in addition to the hundreds of banks here of all nationalities) it brings in something like 40 coppers in addition to the five so-called twenty cent pieces.

For many years the exchange rate between the Shanghai tael and the dollar has hovered around 73. But of late this relation has been highly disturbed, so that it is now considerably below 70. That is to say, whereas in normal times a Shanghai tael has been worth about $1.38 in Chinese dollar currency, it is now worth about $1.45. This has upset a great many people's calculations, those of the foreign and Chinese bankers included and they are now quite reconciled to see the tael disappear entirely. Undoubtedly the relegating of the tael into limbo would do a great deal to improve China's facilties for carrying on commerce. The exchange situation in Shanghai is a seething maelstrom. Not only do the various kinds of taels in China fluctuate daily, yes hourly, with the currencies of the countries all over the world with which China does business, but its own taels fluctuate with each other, the dollars fluctuate in reference to the taels, the "small money" in reference to the dollars, and the coppers fluctuate with reference to the "small money," the dollars, the different kinds of taels, and of course with the various foreign currencies. The result is that every Chinese business transaction carries with it calculations rivalling Einstein's theory of relativity, and of course the rates for buying and selling are fixed with a view to profit, so that one of the principal functions of banking in China is to make a profit through taking in one form of money and paying out another, and vice versa. The abolition of the tael will be but the first step towards squelching the incubuses which bear down on China's commerce and which prove a heavy burden to China's submerged millions. In the United States if you want to change a five dollar bill, say, so that you will have in the change a dollar, a quarter and several cents, any bank, business house or private individual will change if for you as a favor, without cost. But not so in China. There are at least 10,000 small establishments in Shanghai to attend to little details like this, and they all make a living by changing money. When you go to one of them with a five-dollar bill he "short changes" you as a matter of business. When the ricsha coolie later comes to buy that five dollar bill from him with the miscellaneous collection of coins he has received from his passengers the exchange dealer charges him a premium. While the Minister of

Finance and the modern Chinese bankers are about it they should not only abolish the tael, but every other coin or medium of exchange which is not up to standard. By doing so they would give a great impetus to legitimate business, take a great load off the backs of the Chinese masses and put an end to the greatest chaos that has ever existed in any country's monetary system.

In connection with China's financial plans, it may be stated that the Shanghai Mint, which was erected several years ago at an enormous cost, the money being furnished by the Shanghai bankers, and which has been idle practically ever since, hopes in the near future, and particularly in case the plan to abolish the tael is carried out, to resume operations, so it is announced. The Hangchow mint has in the meantime been closed and it is possible that the mint at Nanking may be closed in the near future. When the Shanghai mint starts operations it is proposed in addition to minting a large quantity of standard silver dollars, to mint subsidiary pieces of ten, twenty and fifty cent pieces containing the full amount of silver, so that the present awkward system incidental to the handling of subsidiary currency will be abolished.

MISPLACED SYMPATHY IN THE NOULENS CASE

TWO unrecognized Belgians, a man and a woman, whose real name seems to be Ruegg, but who are generally known as Noulens came to China something over a year ago to engage in Communistic activities. They used various aliases, their operations were investigated by the Criminal Investigation Department of the Shanghai Foreign Municipality, and, on request, they were handed over the Chinese authorities. Whatever the reason, their trial has been much delayed. As with many other *causes celebres*, a point has been reached where a great deal of extraneous matter has been imported into the case, and a lot of mawkish sentiment has been stirred up in connection with their present hunger strike, which has induced quite a large number of journalists here, both foreigners and Chinese, to assist in a movement, inaugurated by Mrs. Sun Yat-sen, to interfere with the ordinary Chinese judicial procedure. The consequence of this has been quite naturally to have the heads of China's judiciary adopt an obdurate attitude the net result of which will probably be to prolong the trial of the case even further, provided the pair do not starve themselves—a matter about which we fear there is more propaganda than fact. Having said this, however, *The Review* suggests that the Chinese judicial authorities have a very simple remedy to dispose of this case, concerning which they have precedents both from the American and British courts in Shanghai. Some years ago when the Shanghai foreign police in search of a gambler committed an assault in the course of an illegal entry to private premises, the police authorities in court gave the excuse that "they were afraid that the gambler would get away." This brought forth the crushing retort from the Chief Judge in the course of his charge to the jury that "he would have thought that if this gambler was going to get out of Shanghai (or China) it is just what they ought to have desired." When the first judge of the United States Court carried on a campaign here against prostitutes of American nationality he put the situation up to the defendants so that they could remain here and face the charges or act on the intimation that the door was left open for them to leave the country if they chose. They invariably took the hint and left. We are not acquainted with the technicalities of the procedure involved, but it seems to us that the Chinese government would be well advised to give these two international intriguers an opportunity to leave this country—an opportunity which they would doubtless accept. It has been suggested that in case deportation were tried, it would be difficult to carry out the idea as it might be no easy matter to choose a country to deport them to. But in view of the great amount of interest this case has aroused internationally it is quite probable that this detail could be easily solved. At any rate, as things stand the Chinese government, by allowing this incident to be dragged out still longer runs the grave chance of having its position in the matter misinterpreted through the well meant but misguided intervention—meddling may be too harsh a word—of journalists who have allowed their hearts to run away with their heads. One of the points in connection with this case that should not be lost sight of is that the very people who have been criticizing the Chinese judicial authorities in no unmeasured terms for alleged failure to administer justice and violating the sanctity of the law are now trying to coerce the Chinese judicial authoritives into violating the formally enacted laws of China in favor of these two foreign intriguers.

Japanese Comment on Proposed Sino-Soviet Rapprochement

A spokesman of the Ministry of Foreign Affairs categorically denied at Nanking July 8 the Japanese *Nippon Dempo* report from Harbin, dated July 7, alleging that Soviet Russia had refused the Chinese proposal for the restoration of Sino-Soviet diplomatic relations because China strongly insisted upon, inter alia, positive aid from Soviet Russia in an attempt to recover Chinese sovereignty in Manchuria.

In connection with Chinese overtures for the resumption of relations with the Soviets, Japanese official circles expressed the opinion that China appeared bent on "playing a double game," as there were indications, they said, that she would attempt to reach in amicable settlement with Japan by the threat of a Sino-Soviet *rapprochement* if Japan were to refuse the Chinese terms. It is intimated in Tokyo that Japan might be prepared to negotiate with China provided China recognizes the independence of the new Manchurian state, but not otherwise.

Count Uchida Takes Office as Japanese Foreign Minister

Count Uchida, until lately president of the South Manchuria Railway, was formally installed in office as Minister of Foreign Affairs, at Tokyo July 6. The great delay in his finally taking office is believed to be due to his desire to make sure that the Army would leave him a free hand. He had worked in the most friendly cooperation with the Army while in Manchuria, but he was not prepared to take responsibility for the country's foreign policy unless he could be assured that neither the Army nor any other outside source would be allowed to interfere with him in the carrying out of the policy that he had in mind. Count Uchida has before him the must difficult problems of foreign policy that have ever faced any Japanese Foreign Minister.

Gen. Araki Would Bar Chinese Authority from Manchuria Forever

WHILE reports pertaining to the League Commission's recent conferences with Gen. Araki, Imperial Japanese War Minister, are somewhat confusing in that the foreign and Japanese news agencies do not tell the same story, there seems to be unanimity on one point—that the Japanese war-lords from the Minister down, are determined that Manchuria never again shall be governed by the Chinese.

The interview between Gen. Araki and members of the Lytton Commission took place in Tokyo on July 9 and according to the *Rengo* version the War Minister declared the "determined opposition of the Japanese military to an extension of Chinese sovereignty in Manchuria." The *Reuter* report was more definite, Gen. Araki being quoted as saying, "Manchuria will never be allowed to return to Chinese rule." Through a curious coincidence, Mr. Y. Tsurumi, speaking on behalf of Japan at a meeting of the International Association of Unions for the League of Nations in Paris, (also on July 9) declared, "Manchuria must be ruled not by the Chinese, who were the last to settle there, but by its first occupants who were the Manchus, Mongols and Koreans."

When members of the League Commission questioned Gen. Araki about the withdrawal of Japanese troops within the South Manchuria Railway zone, he replied that the question had not yet been considered "as it was first necessary to restore peace and order." However, the General Staff made a more effective answer to the Commission's inquiry two days later, or on July 11, when it ordered still more troops from Japan proper to the Manchurian front. A *Reuter* report from Tokyo stated that while no official announcement had been made it was understood that an independent cavalry brigade from Yoshioka consisting of some 1,200 men and including eight ordinary squadrons and two machine-gun squadrons, was already on the way to Manchuria.

Since the General Staff a week previously had sent a fresh division of infantry from Osaka to the Tientsin and Shanhaikwan sector, the dispatch of the independent cavalry brigade to Manchuria, served to confirm the belief that the Tokyo war-lords are making rapid preparations for a further military adventure into Jehol province.

For those who are not familiar with the geography of this district, Jehol (pronounced rohol in the northern dialect) is an irregular district wedged in between Chihli (Hopei), Chahar and Fengtien province. Originally the summer capital of the Manchus, it was given provincial status following the coming into power of the Nationalists in 1927. The Governor is Tang Yu-ling, a subordinate of Marshal Chang Hsueh-liang.

When the Japanese occupied Mukden last fall they always included the name of Gen. Tang Yu-ling in the proclamations they issued on behalf of the Manchurian commanders whom Gen. Honjo alleged was participating in the Manchurian separatist movement. But this was discontinued later on when the Japanese learned that Gen. Tang had decided to remain loyal to Marshal Chang.

Gen. Honjo then embarked upon a campaign of military coercion and intrigue. Following his military occupation of Chinchow and the northern end of the Peiping-Mukden railway, he sent forces into southern Jehol and occupied the Peipiao coal mines and sent airplanes into the southern part of the province and bombed various cities. Next he occupied the Chinese-built railway which runs northward along the eastern border of Jehol from Tahushan through Changwu to Paiantala or Tungliao. Then Honjo embarked upon a bold scheme of intrigue in northern Jehol whereby he attempted to instigate the Mongolian tribes to revolt against Gen. Tang Yu-ling.

A high Japanese staff officer, Col. Seisuke Matsui, was supplied with ample funds and sent into the district with instructions to foment an uprising against Tang Yu-ling. It seems that Col. Matsui was familiar with the district for he had traveled incognito in the territory off and on since 1925. According to a recent report in the Tokyo Asahi, Col. Matsui succeeded by the middle of last February in reaching an understanding with the various Mongolian princes whereby they were to revolt against Tang Yu-ling, but when he reached the town of Kenuayingtse at the head of some 400 Mongolian troops, they suddenly revolted and murdered Col. Matsui, thus putting an end to his intrigue and blocking Honjo's scheme for bring Jehol province into the Manchukuo state.

Since that time Jehol has been a sort of thorn in the sides of Honjo and his Manchukuo puppets, the allegation being that the so-called loyalist volunteers and "bandits," which have been disturbing the peace of Manchukuo, have been operating from Jehol. Also, Honjo has alleged that these volunteers and bandits have been receiving the moral and material support of Tang Yu-ling and Chang Hsueh-liang.

Honjo has therefore decided to embark on another bold adventure—the invasion of Jehol, an obviously expensive and hazardous enterprise due to the mountainous nature of the province. And while secret, it is generally understood the Japanese plans are that one column of Japanese and Manchukuo troops will invade eastern Jehol from Tungliao, while another will advance on Shanhaikwan where Chang Hsueh-liang's forces are commanded by Gen. Ho Chu-kuo, a native of Kwangsi. In addition, Honjo has developed a strong aviation base at Chinchow from which point he will send air-bombers all over Jehol and into North China. The *Osaka Mainichi* on July 1 printed a *Rengo* dispatch from Mukden alleging that conditions in Jehol were becoming "serious" and that the peace of Manchukuo was being "jeopardized." Translated into plain language this means that the Japanese war-lords are getting the scenery in position for their next military adventure!

In the meantime the chief subject of interest in Tokyo is the matter of extending diplomatic

recognition to the Manchukuo puppet state. In Gen. Araki's interview with the League Commission he declared that Manchukuo would be recognized just as soon "as that state is sufficiently organized." However, Gen. Mazaki vice-chief of the General Staff, who had just returned to Tokyo from a tour of Manchuria did not appear to be overly enthusiastic over Manchukuo's future prospects. In an interview with *Reuter's* correspondent in Tokyo he urged patience and suggested the Japanese were making a mistake in trying to treat the new state "like a full-fledged nation." In conclusion he declared that the Manchurian question was the "most complicated problem with which Japan had ever been faced." In addition to these statements, Count Uchida, former president of the South Manchuria Railway, who has just been appointed Foreign Minister also had an interview with the Lytton Commission, but prior to the interview specially requested that no questions be asked regarding his attitude on recognition "as he was unable to express his views at present."

The *Japan Advertiser*, American paper in Tokyo, on July 5 printed a long survey of the League Commission's visit in Tokyo, stating that,

> There are three points which the commission will endeavor to bring out to Japanese officials with whom they start formal conversations soon. The first is that recognition of Manchukuo while the question of Manchuria is still subjudice would injure Japan in the eyes of the world, since such action would constitute a violation of commitments into which Japan had duly entered. The world would interpret it to mean that Japan had lost faith in its case, was unwilling to play fair in the international game which it had entered.
>
> The second point would have to do with the Nine-Power Treaty into which Japan entered at the Washington Conference. In this treaty Japan, together with Belgium, Britain, France, Italy, the Netherlands, Portugal and the United States, guaranteed the territorial integrity of China. If Japan were to recognize Manchukuo at this time, observers believe, its special position in the formation and administration of that so-called independent state would constitute an infrigement of Article I, II, IV and VII of the documents. In the first article Japan bound itself to "respect the sovereignty, the independence and the territorial and administrative integrity of China; to provide the fullest and most unharrassed opportunity for China to develop and maintain for herself an effective and stable government; to use influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China." The second article bound Japan not to "enter into any treaty, agreement, arrangement or understanding..... with any Powers or Powers which would infringe or impair the principles stated in Article I." In Article IV Japan agreed not to support any agreements by its nationals designed to create spheres of influence. Article VII binds Japan to full and frank discussion with all the other signatories of the treaty.
>
> The third point which the commission will make in its Tokyo conversations is that recognition of Manchukuo would automatically close the door to any further conversations with China, to any possible settlement of the many points of differences between the two countries. Recognition would automatically prevent China from adopting any attitude other than unequivocal opposition. If China were to continue such an attitude, Japan might lose many times over the value of the special rights and interests which it entered Manchuria to protect.
>
> In a few words, observers say, the commission wants to press home on Japan the practical aspects of the recognition problem as well as the sentimental, which have ruled so far. There is reason to believe that it is willing to admit that no one would attempt to stop Japan were it to recognize Manchuria but that it will point out that some kind of arrangement with China which would obviate the open opposition of the Middle Republic might easily prove much more advantageous to Japan than recognition.

In the meantime the Japanese propaganda papers in Manchuria are beginning to print reports alleging that Gen. Honjo and other Japanese war-lords in Manchuria are now scheming for the conversion of Manchukuo into an "empire" with Mr. Henry Pu-Pi as "Manchurian Emperor." The *Kung Pao* (Russian language paper) in Harbin stated on June 21 that the "historical imperial throne of Tai Hsin Dynasty, shall shortly be restored and the imperial banner shall again fly over the new state of Manchukuo. The act of declaring the new empire and the coronation of Emperor Pu-Yi will take place in the near future."

Of further international interest was another report in the *Kung Pao* on June 24 alleging that the French and Japanese had reached an understanding on the future control of the Chinese Eastern Railway, the basic principles of which provided that French interests in the line would be represented by the Franco-Asiatic Bank and Japanese interests by the South Manchuria Railway. The French and Japanese groups would make a deal with the Soviet Russians for the leasing of the C. E. R. for a period of fifteen years at an annual rental of 3,500,000 gold roubles. It was alleged that negotiations to this effect already had been opened with the Soviet Consul-General in Harbin. As to the working arrangement on the railway it was claimed that the agreement provided that 80 percent of the staff would be composed of persons of Manchukuo and Soviet nationalities, equally divided, while the remaining 20 percent including the higher officials, would be composed of Japanese and French. It also was alleged that the gold rouble would remain as the currency used in payment of staff.

Gen. William S. Graves, who commanded the American forces in Siberia from 1918 to 1920 and whose recent book, "America's Siberian Adventure," attracted international attention, has issued a further statement indicating the perilous situation resulting from the Japanese occupation of Manchuria and threatened invasion of Siberia. In a recent interview which appeared in the Philadelphia *Public Ledger*, Gen. Graves declared,

> "It is not correct to assume, as many people do, that there is an anti-militarist party in Japan which is opposed to imperialist expansion. There is nothing more than differences of opinion between moderates and extremists. The moderates are opposed because they think that the moment is not propitious, and not in the least because they are opposed to them on principle. There is no doubt that a strong extremist militarist group is urging a drive for the conquest of Western Siberia whilst Russia still has its hands tied with its economic problems. This Japanese militarist group wants a Japanese-Manchurian-Siberian empire up to the Baikal Lake."
>
> The representative of *The Public Ledger* then asked General Graves whether in his (Graves') opinion a Russo-Japanese war would remain confined to Asia. The journalist writes:
>
> "General Graves thought over this question for a while and was obviously not sure whether he ought to answer it or not, but finally he answered slowly and distinctly: 'If Japan begins a war on Russia then it will be because those people who con-

trol Japan's policy are sure of enough support to compel Russia to hold big sections of its strength elsewhere and prevent it deploying all its forces against Japan. Not one single, intelligent Japanese soldier would dream of undertaking a war against Russia unless he was certain, or had an agreement in his pocket to the effect that Japan would not stand alone."

This journalist then asked whether this answer meant that Poland and Rumania would attempt to hold Russian armies on the European frontiers and to draw in France.

"Graves made no direct answer to this question, but he declared: 'If war breaks out between Russia and Japan then there is no doubt that the interests and agreements which bind the small States together will draw them all into the war exactly as was the case in 1914 and we should then all sink into the deadly confusion of a new world war."

General Graves then expressed the opinion that the Japanese intervention at Shanghai was a great military error which retarded the development of the Japanese plans for the conquest of Siberia. He then continued:

"However, the events in Shanghai represented a temporary hindrance only. Those people who are imbued with the idea of a Japanese-Manchurian-Siberian empire are not prepared to abandon their plans so easily. The situation in the Far East remains dangerous. Only the re-opening of diplomatic relations between the United States and Russia can do anything realiy considerable towards putting out the sparks which threaten to develop into the flames of a new Russo-Japanese war."

Graves remarks in the same interview concerning the activities of the notorious "Cossack Hetman" Semionov are also very interesting. Graves speaks with first-hand information when he declares:

"Whilst the American expeditionary force was in Siberia Semionov organised the murder of American soldiers, the idea being to put the blame on the Bolshevists and provoke me to exceed the limits of my orders and to interfere in the Russian civil war. I am informed that Semionov is now in Manchuria and you can be sure that his presence there represents a source of unrest. Manchuria is full of Russian Whites who hope to return to Russia and who are prepared to go to any lengths in order to aggravate the situation and drag in other countries."

The official Japanese *Rengo* news service on July 12 issued a report dealing with the interview between the League Commission and Count Uchida, Japanese Minister of Foreign Affairs, but again it was stated that the part of the interview pertaining to Japan's recognition of Manchukuo "is kept in strict secrecy." The *Rengo* correspondent however, hazarded the following summary of Count Uchida's views:

1. The "solution must be of a permanent nature."

2. The solution must be such that it sweeps away all future obstables in Manchuria. Any intermediary measures which do not conform to the foregoing two principles cannot be accepted by Japan.

3. Japan's recognition of Manchukuo:—Since the establishment of Manchukuo is a concrete fact, the Japanese Government has full freedom to acknowledging Manchukuo as an independent country. Therefore, Japan intends to recognize the Manchukuo Government at the earliest possible date, in order to assure the firm establishment of permanent peace in the Orient.

4. Japan does not consider her recognition of Manchukuo a breach to the Nine-Power Treaty.

6. Japan believes that direct negotiations with the National Government of China concerning Manchurian questions would be wholly void of sense, in the face of the fact that the Manchukuo Government has been established.

5. Japan declares that she has not the slightest intention of annexing Manchukuo to Japan.

Japanese Militarists Will Maintain Manchuria as an "Independent" State

In an interview with the Lytton Commission of Enquiry at Tokyo, on July 9, General Araki, Minister of War, plainly expressed the firm determination on the part of the War Office authorities of Japan that they intend to treat Manchukuo as a completely independent state from China and that they are absolutely opposed to the idea of making Manchukuo an international country dependent in an way on China's sovereign rights and intend to ignore whatever influence China might try to impose upon Manchukuo.

Said expression of determination on the part of Japanese army authorities, according to *Rengo*, was the first official expression that has been made by Japan to the League of Nations Commission.

This pronouncement was later supported by Count Uchida, the new Foreign Minister, and constitutes a counterblast to the recent Chinese conference at Kuling which while hoping to secure the eventual return of Manchuria to Chinese sovereignty put forward the idea that in case this cannot be accomplished for the present, efforts should be made to have Manchuria brought under international control.

Formal conferences between the members of the Lytton Commission of Enquiry and the Japanese Government authorities commenced on July 12.

A resolution urging the Government to exert greater efforts for the early recognition of Manchukuo by Japan was unanimously adopted by a mass meeting of citizens, held at the Public Hall at Hibiya Park, Tokyo. July 9. A large number of representatives from the different organizations interested in Manchuria and diplomatic Affairs, including many members of the Seiyukai and the Minseito, took part in the meeting which was presided over by Dr. Nei Hijikata. Many fiery speeches were delivered.

Miles Vaughan, *United Press* correspondent in Tokyo, in a recent dispatch stated that the official atttitude of Tokyo is that recognition of Manchukuo is not necessary at the present time, the reluctance to take action being that among other things the Japanese are not satisfied with the present government there, Japan does not wish unnecessarily to arouse foreign suspicions, and also because various agreements previously made under which Japan had secured important rights in Manchuria might be jeopardized.

Japanese Finances in Grave State

Financial experts interviewed by *Reuter's* correspondent in Tokyo July 8 emphasized the gravity of Japan's financial problem. The state of the country's finances, the panic among the rural population and the state of affairs in Manchuria are all problems of the gravest concern. The low prices at which Japanese securities are quoted on foreign markets is evidence of the uneasiness abroad with regard to the position in Japan. The adverse balance of foreign trade had been a matter of grave concern to the Japanese authorities but it is believed that from now on imports should decrease and exports should increase to a large extent. Exporters also hope that the lower value of the yen will create a greater demand for Japanese silk. Evidently some of this silk is coming to China and already the Chinese are taking steps to boycott it.

Drastic regulations have been issued by the Finance Ministry to implement the law governing the flight of capital. It is prohibited to transfer capital to other countries without official sanction; no bank in Japan may accept deposits in foreign currencies; the issue of debentures in foreign currencies is forbidden unless special official permission is received; the minister of finance is empowered to give instructions for the sale of all foreign securities and deposits to the Bank of Japan, and he may demand reports on all transactions in foreign exchange and securities. The regulations further provide that firms or individuals with more than Yen 1,000 in foreign currency or assets or liabilities must make detailed reports within 30 days.

Japanese Fishermen Temporarily Held by Soviets

The Fishery Bureau of the Agricultural Department at Tokyo received a wireless message July 7 that some 400 Japanese in the employment of a Russian crab canning factory on an island on the western coast of Kamchatka had been surrounded and held by the Soviet authorities. On receiving the dispatch calling for assistance the Agricultural Department immediately despatched instructions to the Japanese vessels patrolling along the Kamchatka coast to proceed to the scene at once. The Japanese fishermen were later released.

America Outsells Japan in China in 1931

THE two outstanding features of the trade of China in 1931, as revealed in a report just published Mr. H. G. MacEwan, the officiating Statistical Secretary of the Chinese Maritime Customs, are that America stood well at the head of the list of all countries which supplied their products to China during the year under review and that the revenue collected by the Chinese Maritime Customs, despite the various military operations and untoward circumstances, was the highest in the history of the country. It is true that, worked out in terms of gold, this revenue would not appear at the head of the list but as silver is China's standard currency, calculations in gold are besides the point—the more so as it can be easily proven that silver as a standard of value over a period of years has proved itself much more stable as regards world prices than has gold, even in the few countries that have been able to maintain the gold standard—not to mention the great number of countries that have made a pretence at maintaining the gold standard but have not done so. The achievement whereby America has gained the top of China's import ladder is partly due to the fact that Japan, which has for a number of years held first place, was displaced by the Chinese boycott, and partly due to the fact that owing to the world-wide business slump American raw products dropped so low in price that even with the exchange heavily against China the prices worked out into silver proved so tempting that China went in heavily for the purchase of American wheat, raw cotton, leaf tobacco and softwood lumber. Kerosine oil, it may be noted, declined in quantity, although an increase in its silver value was noted. Tables published below will give the reader a clear view of the direction of China's foreign trade during the years 1929, 1930 and 1931. Let it be recorded here, as mentioned by Mr. Mac Ewan that it has once more been shown that China's trading instincts have triumphed over seemingly insuperable difficulties in the production and marketing of merchandising for export, it being also apparent that the hampering of the import trade actually was no bad thing for the country, as it encouraged home industries and saved the so-called balance of trade from appearing in a worse light than it did at the end of the year.

TABLE SHOWING IMPORTS AND EXPORTS 1929-30-31

COUNTRY	Net Import*			Exports*		
	1929 *Hk. Tls.*	1930 *Hk. Tls.*	1931 *Hk. Tls.*	1929 *Hk. Tls.*	1930 *Hk. Tls.*	1931 *Hk. Tls.*
Hongkong	210,412	211,423	218,170	173,581	158,018	148,312
Macao	5,770	5,100	4,463	4,442	4,022	3,575
French Indo-China	14,263	27,831	11,364	5,754	3,882	2,394
Siam	4,145	3,374	4,863	5,136	5,554	5,031
Singapore, Straits, etc.	11,096	8,831	8,390	23,560	19,177	15,916
Netherlands India	54,262	47,450	54,201	12,459	11,707	12,987
British India	54,180	132,093	84,989	17,815	16,953	18,118
Turkey, Persia, Egypt, Aden, etc	1,912	1,865	4,226	54,541	22,150	25,434
Great Britain	118,657	107,118	119,344	74,334	62,669	64,526
Norway	4,171	3,213	2,241	284	304	751
Sweden	3,827	4,164	4,735	662	687	659
Denmark	294	410	312	1,398	1,634	2,623
Germany	66,753	68,799	83,168	22,458	23,361	23,138
Netherlands	11,826	10,627	13,493	39,543	44,944	49,528
Belgo-Luxemburg Economic Federation	25,755	27,401	30,259	4,133	4,533	4,074
France	18,044	16,758	21,420	56,319	42,700	34,111
Switzerland	2,586	2,695	4,266	74	89	142
Italy	19,817	14,648	19,383	16,377	9,332	8,746
Russia and Siberia	18,148	18,461	24,565	55,986	55,413	54,657
Korea	14,868	13,022	10,056	39,784	44,175	29,631
Japan (incl. Formosa)	319,075	322,303	290,386	256,428	216,555	264,956
Philippine Islands	5,030	4,211	3,918	7,419	8,353	8,313
Canada	38,413	13,488	22,572	2,160	3,491	3,736
U. S. of America (incl. Hawaii)	230,109	231,653	320,266	137,836	131,880	120,205
Cuba	3,657	1,351	444	....	7	18
Australia, New Zealand, etc.	6,015	7,586	61,233	1,108	1,308	1,689
Other Countries	2,694	3,881	10,749	2,096	1,946	6,209
TOTAL	1,265,779	1,309,756	1,433,489	1,015,687	894,844	909,476

* In thousands of Haikwan taels (000 omitted)

It will be seen from the above table that although American imports into China show a great increase, the purchase by America of Chinese products decreased greatly—and for the same reason that the imports into China increased, namely low prices of raw products. Japan was by far the best purchaser of Chinese products during 1931 as it has been for many years previously.

As regards imports into China it is a sad commentary on the condition of things in China that a large proportion of the cargo coming in has been foodstuffs, this despite the fact that China is mainly an agricultural country. A great spurt occurred, for example, in the imports from Australia and New Zealand, but this has been accounted for mostly by importation of wheat—not far from a million tons of wheat during the year. It will be noted from the table below that China's importation of wheat during the year increased very heavily, and although the figures are given in depeciated silver the quantity increase is practically in the same ratio, as the gold prices of wheat had dropped in nearly the same proportion as the price of silver had dropped.

IMPORTS INTO CHINA DIRECT FROM ABROAD DURING 1929-30-31

	1929.*	1930.*	1931.*
	Hk. Tls.	*Hk. Tls.*	*Hk. Tls.*
Raw cotton	91,124	132,266	179,082
Cotton goods*	188,574	149,839	121,078
Wheat	21,431	12,831	87,639
Sugar	98,761	86,391	85,889
Metals and minerals	70,855	75,881	85,125
Kerosene oil, liquid fuel, and lubricating oil	64,779	65,043	79,757
Rice	58,981	121,234	64,376
Tobacco	49,162	58,373	62,681
Chemicals	34,255	46,905	48,713
Paper	34,246	37,384	45,405
Machinery	29,887	44,283	43,605
Dyes and pigments	33,192	25,765	39,441
Timber	27,819	23,178	34,685
Wool and cotton unions and woollen goods†	44,431	24,616	32,564
Flour	64,008	31,926	30,920

*Exclusive of raw cotton. †Exclusive of sheep's wool.
*In thousands of Haikwan taels (000 omitted.)

One of the striking features of China's export trade in 1931 was that exports of Chinese factory products to foreign countries were nearly 20 cent more than in 1930, and relatively greater progress must have been made in the matter of sales from privileged and non-privileged factories to consumers in China, although statistics, except those of certain interport movements or such cargo, are not available to indicate the full extent of this. As the Customs report points out, there is no doubt of the success of home products in competition with foreign products in the case of the cotton goods industry. The drop in the value of such foreign imports from 68.9 million U.S. gold dollars in 1930 to 41.2 millions in 1931 in contrast with the heavy increase in imports of the raw material plainly indicates the trend. Owing to the low purchasing power of silver in gold-using countries it has not been possible for the textile industry to take full advantage of the situation by the expansion of factories, but a considerable amount of new machinery was imported from abroad notwithstanding, and various projects that have been suspended on account of exchange difficulties will doubtless be carried out at all costs if the boom in Chinese manufacturing continues. The Chinese Cotton Mill Owner's Association reports a fair increase in the number of spindles in use: 4,228,172, as against 3,905,214 at the beginning of the year. This number includes 1,678,400 spindles operated by Japanese mills and 169,228 spindles operated by British mills, but of course these are all helping to create wealth for this country. The mills concerned in the above statistics consumed 1,181.3 million pounds of raw cotton in the course of the year, more than half of which was of foreign origin owing to shortage of the Chinese crops and concurrent cheapness of the foreign article. The low cost of the American staple at a time when the better foreign piece goods were so expensive was a very fortunate coincidence, as it enabled the Chinese mills to turn to the spinning of finer count yarns for the home manufacture of such higher quality cloths. A feature in the year's developments at Canton was an addition of no less than ten leather factories to the list of those already in existence, principally for the manufacture of military equipment. The thriving condition of the match industry and the number of new factories connected with this trade that have sprung up all over the country, is noticeable in connection with the exceedingly marked decline in the imports of foreign matches from 8.5 million to 2.5 million gross. China is one of the few countries that Ivan Kreuger, the Swedish match magnate, was not able to manipulate.

China is on the verge of great manufacturing development, which the protective tariff invoked a few years ago is doing much to stimulate. Machinery and raw materials—not manufactured products—are what China will import in increasing quantities in the future from year to year.

Europe Has Agreed that America Shall Pay for the World War

THE outstanding feature of the result of the Lausanne Reparations Conference is that Germany, which under the Young Plan had been committed to payments of reparations totalling one thousand odd millions of marks, promises under certain conditions to pay less than three thousand million marks—this sum being a little more than half of that which Bismarck exacted from France in 1871. Of course Germany since 1918 has been paying very considerable sums, but this be it remembered was nearly all borrowed money. It was for using his good offices with the French to accept such an arrangement that the British representative at Lausanne, Mr. Ramsay MacDonald, received the thanks of King George. We are also told that the result of the Conference was greeted with loud cheering in the House of Commons. It certainly was a striking volte-face from the days of the Great War.

The total sum which Germany has agreed to pay is 3,000,000,000 Reichsmarks, payable in the form of bonds. These bonds, however, will be issued at intervals beginning in 1935 and ending in 1947. If there is no revival of world trade and no improvement in Germany's economic condition, so that she has no capacity to pay, no bonds will be issued, and if none have been issued when 15 years has elapsed from the date of the agreement, then the German indebtedness will be automatically erased and dropped forever. It has been agreed that no bonds are to be issued for three years, even if there should be a return of prosperity. The bonds are to be issued at 90, of which the cash total which Germany would be required to pay at a maximum will really be 2,700,000,000 Reichsmarks. A 5 per cent. interest rate has been agreed upon, and the amortisation period has been fixed at 37 years. The prospects are that Germany will never pay a pfennig. Herr Hitler has already boasted that within six months the treaty of Lausanne will not be worth three marks.

Germany was also able to have inserted in the agreement a clause which takes the sting out of that part of the Versailles Treaty in which Germany was made to take upon herself the admission of sole guilt for the World War, a clause which was signed at the time under duress

and which the Germans ever since have protested against as not being true.

The newspaper comments generally throughout Europe are jubilant in tone that such an agreement has been reached. The American press is generally skeptical. It is to be noted, of course, that America had no delegate at the Conference, and in any event the agreement will not come into force until the various governments have ratified it. A most important condition to its coming into force also is that America should agree to the action which the provisions of the Lausanne agreement imply. Let it be clearly kept in view that even as the thing stands at present, the taxpayers of America are bearing a considerable share of war expenses of the Allied Powers, not to speak of the huge debts which America piled up in coming to their rescue. The situation as it exists is that the American Government is paying out interest on billions of dollars worth of Liberty bonds, the proceeds of which were used as loans to varied Allied countries. Through various agreements in the past years, not only has the principal due on those loans been reduced, but the interest payable on the debt that was left standing has been reduced below that what the Liberty bonds call for, the American taxpayer naturally being saddled with the difference. It is now proposed that America should also forego still more of the debts—in other words that America should pay for the World War, not the War that America fought on her own behalf but the War that the Allied Powers fought. On the desirability of this nearly all the European Powers, including Germany, seem to be agreed. At the same time that America is asked to make this sacrifice, various European Powers, and particllarly France, are very materially strengthening their air, army and naval forces, and in fact spending more on armaments than the yearly payments that are called for under the loans due by them to America. President Hoover's recent disarmament plan, disarmament by one-third, was opposed, it is significant to note by both France and Japan, and there is increasing suspicion if not evidence that France has given tacit approval to the campaign which the Japanese militarists are carrying on in Manchuria, and, which, it is needless to add, has been opposed by the United States in every way possible short of going to war. In these days of world-wide trade depression it is only natural that there should be concessions all round in the hope of that world trade may be improved and the wheels of industry set in motion again, and in the end it may be possible that America may be induced to forego the war debts in the manner indicated, but it is just as well that everybody throughout the world and Americans in particular should realize that in such event America after having saved the Allied Powers from defeat in 1918 has in addition to paying its own war expenses been made to pay a great proportion of the war expenses incurred by the Allies themselves.

Some Evidence that Japan is Not Playing a Lone Hand

BY HARRY PAXTON HOWARD

THERE are some today who believe or at least argue—that Japan is playing a lone hand in China, that she has no special alliances or "understandings" with any of the great powers, that she is "going it alone" even as she did in 1894 in the first Sino-Japanese War. Whether or not this is the case can hardly be fully established until there is an end of secret diplomacy, and as this end seems to be some time in the misty future ordinary mortals are left to judge, from present facts and from historic precedents, what the probabilities are that some secret pacts exist between the Japanese and some other governments with regard to China.

Much has been made recently of rumors of a secret Franco-Japanese Alliance by which the greatest power on the European continent works hand in hand with the greatest power in the Far East for their mutual advantage, supporting one another at "Disarmament" Conferences, at League of Nations' sessions, etc. Local incidents such as those in the French Concession at Shanghai recently, where the Japanese authorities are permitted to make wholesale arrests, both of Koreans who are Japanese subjects and of others who are Chinese citizens, conducting themselves in fact quite as if they were on Japanese soil, have also given rise to much suspicion. With regard to Britain, the equivocal answer frequently returned to questions in the House of Commons by the Foreign Office, the statements made by British officials of the League of Nations about the powerlessness of the League to take effective action, the ready settlement which appears to have been reached with regard to the Shanhaikwan-Mukden section of the Pei-ning line, the continued procrastination in the Investigation Commission's work, and many other instances, are brought forward in support of suspicions that there exists some prior agreement between Japan and Britain with regard to action in China.

Japan's First Lesson

Historically, Japanese imperialism learned a very important lesson early in its career. After its defeat of China in the first Sino-Japanese war, Japan was made to give up the Liaotung peninsula owing to three European nations combining against her. This was in 1896. In the following years Japan made her plans most carefully, and fully protected herself with agreements and alliances before going into further military adventures abroad. The first important fruit of her diplomacy was the Anglo-Japanese Alliance in 1902, which recognized "the independence of China and Korea," and by assuring Japan of support in case any third party interfered, encouraged the Island Empire to make war upon Russia, annexing Korea and driving the Russians out of South Manchuria, appropriating for themselves the main Russian interests there and secur-

ing the foothold which was the basis of the steady Japanese penetration and growing control of the past twenty-five years.

In 1905 the Alliance was revised, making no mention of the independence and integrity of Korea. China was now the state to be subjected to Anglo-Japanese recognition of her independence and integrity. This Alliance made it possible for Japan to seize Kiaochow (as well as the German islands in the Pacific), and to enforce upon China in 1915 her special demands regarding South Manchuria and Inner Mongolia, the Alliance deterring other powers from interference. In 1917 Japan entered into a secret treaty with Britain (as well as similar treaties with France, Russia, and Italy) assuring her of the continued possession of Kiaochow. Japan's care in obtaining these agreements and assurances shows her consistent policy of never acting singlehanded since her 1896 setback. They resulted, at Versailles, in her retaining Kiaochow as promised, regardless of the promises made to China by Great Britain and France, as well as by the United States, of favorable treatment at the peace conference.

The Expiration of the Alliance

At the time of the expiration of the Anglo-Japanese Alliance, the British Foreign Office appears to have favored its renewal. The attitude of the colonies, however—particularly Canada and Australia,—was the reverse, and the most bitter hostility to the Alliance was shown at the Imperial Conference in 1921, aroused mainly by the Twenty-One Demands and by the manner in which Japan had been strengthening and consolidating her position in the Orient while her allies were engaged in a life-and-death struggle in Europe. America's attitude was also a factor, and when it appeared to be almost a choice between having America as a friend or Japan as an ally, many Britons preferred the former. To these considerations were added China's request to both the British and Japanese governments that in case of renewal of the treaty, there should be no guarantee of the "integrity of China." This guarantee had proven, in fact, to be a mutual agreement for a monopoly in the plundering of China, and China's official appeal could not go unnoticed in Britain.

When it was clear that the Anglo-Japanese Alliance was doomed, and Japan had lost Britain's powerful support, she returned Kiaochow to China, and for a time there was a moderate policy by which Japan endeavored once more to build up a favorable reputation for herself with western powers, and allay the foreign fear and suspicion which had grown side by side with Japan's military growth and imperial expansion.

The Franco-Japanese Agreement

Japan still had, however, an agreement with France,—an agreement of not such great importance before the war, but which after the Versailles pact, when France secured herself the hegemony of the European continent, assumed far greater significance. By the Franco-Japanese Agreement of 1907 the two governments bound themselves (as Britain and Japan had done in the Alliance) to respect to the independence and integrity of China. They recognized, however, special interests in the "regions of the Chinese Empire" adjacent to their own territories (meaning, specifically, adjacent to Korea and Indo-China, both of which were vassal states of China until Japan and France, respectively, invaded and later annexed them). In view of these "special interests," the two governments agreed to mutual support in maintaining the security of the regions of China referred to, and of "the territorial rights of the two contracting parties on the continent of Asia." Japanese subjects were to receive most-favored-nation treatment in Indo-China.

Even these agreements were not sufficient for Japan, she concluding a whole series of agreements with Russia, some open and some secret, in the following years, concerning their respective and mutual interests in China's northeastern provinces. Included among them was the Russo-Japanese secret treaty of alliance, concluded July 3, 1916, declaring that the vital interests of both countries require that China be prevented from falling under the domination of a third power hostile to them, and binding the two governments to cooperate fully to prevent such an event. If such action led to a declaration of war against either, the other party would come to its assistance as soon as called upon, and the two would determine in common the amount of armed assistance to be contributed by each, and neither make peace without consent of the other. Japan in 1916, therefore, had not one but two treaties of military alliance, the latter one being directed (if not against Great Britain) against the United States. These agreements with Russia, however, came to a sudden end with the Soviet revolution, when they were not only renounced but published to the world.

Further Agreements

Japan also, as already noted, entered into a secret treaty with France in 1917 which would assure her of Kiaochow. At the time of the expiration of the Anglo-Japanese Alliance, there were some Japanese who pointed out that there were other alliances which might be more advantageous. Britain's own interests, it was remarked, were mainly commercial, and outside of her occupation and *de facto* control over Tibet, her aim was the maintenance of the *status quo*. France, however, was now a growing power, and was regarded as having far more sympathy with an "active" policy such as Japan's. An alliance with France, taking a step further the agreement of 1907, was openly favored by many, and it appears that so strong was this pro-French feeling that from that very period dated a new interest in the French language in the Japanese diplomatic service, where it began to assume an importance previously confined to English.

In 1924 the governor of French Indo-China visited Japan on a diplomatic mission, and it was rumored that his actual aim was the conclusion of a treaty in which French should take the place of England in a new alliance. Today suggestions of a Franco-Japanese Alliance are made mainly upon circumstantial evidence in connection with recent developments, and are often touched with a distinct acrimony owing to the bitterness evoked by these developments. Eight years ago, however, Japan was being "nice" to China. The Japanese military interfered, indeed, to prevent Japan's old friend Chang Tso-lin from being destroyed by Kuo Sung-lin in 1925, but in general her attitude was quite friendly for these years, and the benevolent Shidehara was permitted to go his gait as Japanese Foreign Minister. The 1924 rumors, therefore, were not based on prejudice or hostility, but upon hints which appear to have leaked out, supported by purely objective considerations.

A British Observer

It is of interest here to quote the English journalist A. Morgan Young, editor of the *Japan Chronicle*, one of the keenest and fairest observers of Far Eastern affairs, in his book "Japan under Taisho Tenno," written in 1928:

> "Were the secrecy of diplomacy to be abolished, as some enthusiastic reformers promised it would after the Great War, some interesting facts might be disclosed regarding the visit of Mr. Martial Merlin, the Governor of French Indo-China, to Japan in May 1924. He was received with royal honors, and no visiting sovereign could have been more obsequiously entertained. Much was rumored about a commercial treaty which was to enable Japan to supply the French Indies with some goods in partial exchange for the rice that she purchased there. But French colonial policy is not easily modified (*sic*) and four years later it was still pending, though another treaty had been concluded meanwhile. It

was suspected, however, that more highly political questions were really at issue. A group in Paris had informed the world that they were the directors of the Russo-Asiatic Bank and therefore the shareholders of the Chinese Eastern Railway, and there was a good deal of speculation as to whether Mr. Merlin was really in Japan on the business of entering into an engagement that should console Japan for the lapse of the Anglo-Japanese Alliance and in the accepted manner, guarantee the integrity and independence of North Manchuria." (P. 324.)

Whether this speculation accorded with the facts or not must be left to the observer of recent events to judge, in the light of what has transpired since the above was written. The story of the Franco-Japanese negotiations, however, did not stop with Mr. Merlin's visit to Japan. This visit was followed the next year by the dispatch of a special mission from Japan to Indo-China, headed by Prince Yamagata. Following this, the Japan Year Book for 1931 (p. 118) informs us, the French government suggested that the question of duties in French Indo-China "should be dealt with independently from that of the revision of the existing treaty; in this suggestion the Japanese government concurred. Negotiations, therefore, were opened at Paris, but so far no agreement on the points at issue appears to have been reached." (Written in 1930). Rather lengthy negotiations, some might remark, for negotiations which aimed simply, according to the Year Book quoted, to remedy the abnormal situation by which Japanese exports were charged with the highest duties on their entry into French Indo-China. However, as an ironical observer might remark, French colonial policy is not easily modified.

It is to be noted that the Franco-Japanese Treaty of 1907, while it did not constitute (so far as we know) a military alliance, provided that the contracting governments should support one another in maintaining the security of the regions of China adjacent to their own territories, the Japanese region of "special interests" meaning particularly China's northeastern provinces, now occupied by Japanese troops.

The New Anglo-Japanese Accord

In November 1928 came official moves by the Japanese government to reach a new accord with Britain on the basis of a common policy in China, with the recognition of similar interests in the country, both having enormous investments as well as being the leading nations in China's commerce, possessing important leased territories, and claiming special interests over great territories, Japan in the northeast and Britain in Tibet, which appears today to be virtually a British protectorate.

News reports in November indicated that an understanding was reached. There is no doubt that the British Foreign Office favored it, as indeed it was only the opposition of the Dominions, and the reluctance to offend America at that period, which caused the abandonment of the Anglo-Japanese Alliance in 1922. Telegrams from London in 1928 stated that Britain and Japan had agreed to support one another in matters of common importance in China wherever such mutual support would be advantageous, that Britain had abandoned her previous objection to making the enormous Japanese loans to the northern militarists (such loans as the "Nishihara") a charge upon the Chinese customs, and that Britain had recognized Japan's "special interests" in China's northeastern provinces.

That such an accord actually existed, and that Japan intended to act upon it at once, was shown by the public statement of the Japanese Minister of Communications, Kuhara, the following month, urging a return to the policy of the Twenty-One Demands. Japan, in her negotiations with the Nanking government (which had gained the agreement of all treaty powers excepting Japan to Chinese tariff autonomy), insisted, as permitted by the reported accord with Britain, that the "large number and amount of the unsecured and inadequately secured obligations of China due to Japanese creditors" be recognized by Nanking and made a charge on the customs revenue. In response to this Nanking, finally obtaining Japan's recognition of the new tariff, assured Japan that the government had "already commenced to set aside annually the sum of $5,000,000 from the customs revenues for the purpose of consolidating the domestic and foreign obligations of China."

The 1929 "Manchukuo" Plot

But while securing itself payment by Nanking of the loans incurred by the nothern militarists, Japan had much bigger things in view. The reported British recognition of Japan's "special interests" in China's northeastern provinces was followed within two months by a report that Japan was plotting with a Fengtien leader for the establishment of an "independent" Manchuria with Japanese support. Many foreigners refused to give credence to the report at the time, but in view of recent developments there seems no adequate reason to reject it.

At the end of December, 1928, Marshal Chang Hsueh-liang, in defiance of repeated Japanese warnings not to negotiate with Nanking, affiliated with the Nationalist government, and the Kuomintang flag was waving throughout the three eastern provinces. Less than two weeks later a plot was discovered for a *coup d'etat* at Mukden, the chief figure in which was General Yang Yu-ting, right-hand man of the late Chang Tso-lin and commanding two army corps. Yang, and his brother-in-law and fellow-conspirator Chang Yin-huai, were shot dead by the young Marshal's soldiers on the night of January 10th, two days before the date reported set for the coup.

The Chinese commission appointed to investigate the case officially reported that Yang was acting on behalf of the Japanese government, which was instigating him to set up an "independent Manchurian republic" of which he was to have the presidency, Japanese troops giving assistance and Japan obtaining further concessions in his territory. These reports, of course, were officially denied in Japan, but there seems no good reason today to deny them credence.

Two Years of Delay

It seems reasonable to suppose that the delay in attempting another coup was due to the uncertainty of British support. It was obviously necessary to wait some months for the echoes of the plot with Yang Yu-ting to die down, but in these months the situation in Britain changed. The Tory government was swept out of office and out of power by the general election in May 1929, and a labor government with liberal support came in, a government whose support in any Japanese invasion of China's northeastern provinces was not to be relied upon. With the fall of the Labor government in August 1931, and the assurance of a "national" government with a conservative policy which gave indications of being long-continued, the Japanese militarists lost little time, and their plans (undoubtedly long-matured) for the occupation of Manchuria and the setting up of an "independent Manchurian republic" were soon translated into reality, the occupation beginning in September.

The attitude of France and Britain, both as independent states and as members of the League of Nations, have suggested to many that there are secret understandings with Japan. But in view of Japan's past diplomatic history, it would be very strange indeed if such understandings had been lacking. It is in the highest degree improbable that Japan would, single-handed, ever have taken such action as she has done during the past year in China's three eastern provinces, and at Shanghai, without preliminary understandings. Japan standing alone is in a not too hopeful situation, particularly with the difficult economic situation in Japan in recent years. It was necessary for her to have agreements with other powers, powers sufficiently important to wield great power in the League of Nations and prevent interference from that side, whatever protests smaller nations might make.

Japan has been laying her plans carefully and thoroughly. She is certainly not playing a lone hand, and risking another experience such as that in 1896. Such an experience would be almost more certain than at that time, considering the existence today of the League of Nations, and such pacts as the Kellogg, were there not agreements which, like the Anglo-Japanese Alliance of years gone by, make Japan reasonably secure from outside interference in her aggressions in China. In the light of Japan's past diplomatic history, and the actual reports of negotiations with France and Britain a few years ago, the assumption that she is "going it alone" in China today seems almost pathetic.

Peiping, July 10, 1932.

Why Was the 19th Route Army Stationed at Shanghai?

BY HOH CHIH-HSIANG

INSIDIOUS rumors disseminated by Japanese propagandists are afloat and are said to have gained the ear of the League Inquiry Commission to the effect that the 19th Route Army was of Red pigmentation and had been transferred to Shanghai last October for the purpose of seizing and looting the International Settlement, or more specifically to repeat what was done to the British Concession in Hankow in 1927. With this as a premise, the Japanese are endeavoring assiduously to induce the League Commission to believe that the Japanese, prompted by a spirit of sportsmanship and their best Samurai tradition, had dispatched troops to Shanghai for no other motive than to forestall such a Chinese move and protect the International Settlement against the Chinese seizure, that is, to safeguard the interests of the Powers in Shanghai. In other words, the Japanese position towards the Western Powers is: You, ungrateful Powers, should you not lend a willing ear to the Japanese plea! Because, thanks to the self-imposed Japanese generosity, an Oriental nation had chivalrously borne the "White Men's Burden," while the "Whites" themselves neglected their own interests!

To the fair-minded people and those who have followed the recent Shanghai situation, such baseless charges on the good name of a Chinese army fighting for the honor and existence of its country, can be dismissed as a deliberate lie or sheer nonsense. But the outside world, not so well-informed of the situation, may fall victim to the Japanese propaganda and arrive at false conclusions. In order to establish the real facts of the situation, these Japanese accusations must be challenged and convincingly refuted. Hence, this article is written under the above heading.

Regarding the first charge, nothing can better refute it than a brief mention of the record of the 19th Route Army during the past few years. Indeed, if the Communists have had a more deadly enemy, it is none other than the 19th Route Army. Refutation of the second charge, however, would necessitate a review of the Chinese internal politics during the latter half of the past year which will furnish a satisfactory answer to the query why was the 19th Route Army stationed in Shanghai?

The 19th Route Army which is but part of the Chinese national-revolutionary force, is a highly experienced and efficienctly trained army. Both its officers and soldiers have taken part in many serious battles of China's revolutionary and anti-communist campaigns. It was originally known in 1925 as the First Division of the Kwangtung Provincial Army then under the command of Gen. Chen Ming-shu and later was reorganised as the 10th Division. During the Northern Punitive Expedition in 1926, the 10th Division under Gen. Chen formed part of the vanguard force which advanced into the Yangtse Valley and fought the famous Battle of Tingsihichiao Bridge near Hankow, which sealed the fate of the Northern General Wu Pei-fu. Following the occupation of Wuhan cities, the Division was expanded into the 11th Army with Gen. Chen as Commander-in-chief and General Chiang Kwan-nai as Vice-Commander and Gen. Tsai Ting-kai as Commander of the original 10th Division. After pacification of Wuhan, the 11th Army took its advance to Kiangsi and participated in the decisive battle of Nanchang which constituted the initial debacle of the Northern forces under Sun Chuan-fang and caused his ultimate downfall. With the inauguration of the National Government at Nanking in 1927, the 11th Army moved up to Nanking and was charged with the garrison of China's new capital city.

In the Winter of 1927, the Communists were rapidly gaining power in Kwangtung and threatening to overrun the entire province. In order to combat the growing "Red" menace, the 11th Army was hurriedly dispatched to their home base in the South. On December 11, 1927, a serious Red Uprising occured at Canton. The Communists suddenly seized power and established a "Red Reign of Terror" called the Canton Commune. It was the crack regiments of the 11th Army which ruthlessly suppressed the uprising and bought about the collapse of the Red regime in the course of few weeks. This was the first and one of the severest blows which the Chinese communists had suffered in the course of their struggle for power and domination in China, from which they have never fully recovered and have remained a roving horde. The 11th Army had thus earned the deep-rooted hatred of the Chinese Communists and have since been regarded as a most uncomprosing enemy.

During the conflict between Kwangtung and Kwangsi forces in 1928, Gen. Tsai Ting-kai was made Commander of the 60th Division, while Gen. Chiang Kwan-nai was appointed Commander of the reorganised 11th Army which since then was known as the 61st Division.

In 1930, both of these Divisions were dispatched to Shantung to participate in Nanking's punitive campaign against the Yen-Feng Military Coalition (Yen Hsi-shan and Feng Yu-hsiang). They fought several brilliant battles for the Government and were responsible for the capture of Tsinan from Northern troops. It was at this time that the two Divisions were known as the 19th Route Army with Gen. Chiang Kwan-nai as Field-Commander and Gen. Tsai Ting-kai as second in command. At the conclusion of the campaign, the 19th Route Army was again sent back to Kwangtung for garrison duty.

In the Summer of 1931, the Army was once more transferred to Kiangsi to join the Government's anti-Communist campaign. Gen. Chen Ming-shu was appointed Commander-in-chief of the Right Wing Forces (the Left Wing Forces were Commanded by Gen. Ho Ying-ching). The 19th Route Army which formed the first group of the Right Wing Forces was under command of Gens. Chiang Kwang-nai and Tsai Ting-kai who after having fought numerous sanguinary engagements finally succeeded in breaking through the Communist Defense as well as destroying their strongholds, notably Kian and Ningtu. As well put by Mr. Wang Chi-yuan, former director of publicity of the 19th Route Army, whose article on the historical background of the Army is here frequently referred to, "it is now a matter of historical record that the 19th Route Army succeeded more than any unit of the National Forces in reducing the formidable "red" forces in China to their present stage of relative inaction."

At the time of formation of the 19th Route Army in 1931, it consisted of only two Divisions, the 60th and 61st. But during their arduous campaign against the Communists in Kiangsi, both of the Divisions had suffered tremendous losses. In order to strengthen the Army and replace casualties, one new Division, the 78th Division, was formed with Gen. Ou Shou-lien as its Commander.

From the above review of the historical record of the 19th Route Army, honest-minded people will not have difficulty in forming a fair opinion of the character of the Army and distinguishing beyond all shades of confusion its real pigmentation. Indeed, if the 19th Route Army has had any color to its credit, avowedly it is not of the Red composition. For even the most moderate of the "Reds" will disavow any association with this Army unit.

Now let us proceed with the second accusation. Had the 19th Route Army been brought here for the simple reason of seizing and looting the International Settlement, as the Japanese propagandists "honestly" allege? Had it any other other mission? It is indeed a matter of regret that the Japanese propagandists should not attempt to convince the League Inquiry Commission that the 19th Route Army was really transferred here for the massacre of Japanese residents in Shanghai! This would sound more creditable than any mild charge and would be more in line with the vicious and baseless character of their propaganda.

For the purpose of better enlightening the Japanese propagandists, I detail the following historical facts explaining the real reasons which prompted the transfer of the 19th Route Army to Shanghai.

Gen. Chen Ming-shu former Commander of the Army, was appointed Chairman of Kwangtung Provincial Government early in 1928 in recognition of his services

for suppressing the Red Uprising at Canton the previous December. He had been the supporter of Gen. Chiang Kai-shek and the Nanking Government. Early in 1931, serious dispute developed between him and Gen. Chen Chi-tang, Commander of the 8th Route Army, over the provincial revenues of Kwangtung. In April last year, the 19th Route Army which had been stationed at Canton following the conclusion of their campaign in Shantung was suddenly dispatched to Kiangsi to suppress the Communists. Taking advantage of this opportunity plus other political expediencies, Gen. Chen Chi-tang summarily effected a Coup on April 28 and 29, 1931 and ousted Gen. Chen Ming-shu from the provincial chairmanship who hurriedly sought refuge at Hongkong. Thus, Gen. Chen Chi-tang siezed all power and money and became supreme in Canton.

Soon, Gen. Chen Chi-tang and a group of disgruntled Southern politicians organised an anti-Nanking Movement and set up a Canton Nationalist Government at Canton on May 28 last year, demanding among other things the retirement of Gen. Chiang Kai-shek from national presidency which he was then holding. The squabble between Nanking and Canton developed with growing intensity with the lapse of time and threatened another outbreak of civil war, despite the then serious flood situation. During the intervening period, two events of great national importance occurred: the Wanpaoshan Incident on July 2 and the Mukden Affair on Sept. 18 last. In view of the precarious situation both internally and externally, the Nanking leaders made desperate efforts to preserve peace and appealed to Canton for compromise. First, they sent Mr. Chang Chi to Canton to persuade the Southern leaders to come to Nanking's fold and dissolve the Canton Nationalist Government. But his efforts failed to bear fruit and Canton leaders continued their recalcitrant and bellicose attitude towards Nanking.

In order to save the country from the devastation of another civil war and present a united front in facing the unprecedented national crisis as created by the Japanese invasion of Manchuria, Nanking sent another delegation in September last year to Canton consisting of Gen. Chen Ming-shu, Dr. Tsai Yun-pei and Mr. Chang Chi to invite the Canton leaders to Shanghai for a peace conference. In the meantime, Generals Chiang Kwan-nai and Tsai Ting-kai, high commanding officers of the 19th Route Army also issued a circular telegram, appealing to both Nanking and Canton to sink their individual differences and combine their efforts to save the country from the national crisis. On September 28 last year, Gen. Chen Ming-shu, Dr. Tsai Yuna-pei and Mr. Chang Chi as peace commissioners of Nanking arrived at Hongkong and were met by the Canton delegation including Sun Fo, Wang Ching-wei, Ma Chi-chun and C. C. Wu. Thus a preliminary peace conference was held at Hongkong, at which the delegations from both parties put forward terms of settlement of the Nanking-Canton differences.

Among other decisions reached at the preliminary parley, were the convocation of a National Unification Conference at Shanghai and the garrisoning of the Shanghai Nanking Area by regiments of the 19th Route Army under Gen. Chen Ming-shu. The Canton leaders specifically suggested that in view of the Manchurian Affair, Gen. Chiang Kai-shek should lead the Government Forces into Manchuria, leaving the neutral troops under Gen. Chen Ming-shu and Gen. Chu Pei-teh to garrison the Shanghai-Nanking Area and other Kiangsu Districts and Gen. Chen Min-shu be appointed Garrison Commander of the Shanghai Nanking Area. According to the *South China Morning Post* (a British Paper at Hongkong) on Oct. 7 last year, Mr. Wang Ching-wei, now President of Executive Yuan of the National Government and then a member of the Canton Peace delegation, reported at the Canton Kuomintang Extraordinary Council on Oct. 6 that Gen. Chiang Kai-shek had made a further concession by appointing Gen. Chen Ming-shu Garrison Commander of Shanghai and Nanking which, the paper pointed out, would mean the 19th Route Army regiments, neutral troops with no hostile attitude towards either Canton or Nanking, to garrison these two cities, one of which was to be venue of the final Peace Conference. Another report in the same paper on Oct. 8 last stated that Gen. Chen Ming-shu left Hongkong that afternoon for Shanghai on way back to Nanking to assume his new appointment as Garrison Commander of Shanghai and Nanking and had ordered the Commanding Officers of the 19th Route Army to transfer their Divisions from Kiangsi to Kiangsu for garrison duties. As a result of such a move on Gen. Chen's part, the paper said, the Canton delegates attending the Shanghai peace conference would feel more assured as regards their personal safety as the venue of the Conference would be garrisoned by Cantonese troops who formerly served under Canton.

The above facts were chronologically recorded in an independent foreign paper at Hongkong and must be accepted as a true representation of the situation. However, these facts would not be of significance, unless they were interpreted and explained in the light of the then prevailing situation at Shanghai. Shanghai had been garrisoned by troops of Gen. Hsiung Shih-hui, a trusted lieutenant of Gen. Chiang Kai-shek, for several years and was naturally considered by the Canton people as the sole sphere of Gen. Chiang's influence. Moreover, Gen. Hsiung had incurred the displeasure of the Canton Government by having arrested some of the influential opposition leaders such as Mr. Chu Cheng. The Southern Peace Delegation, fearing for their personal safety, could not tolerate the presence of Gen. Hsiung in Shanghai and the garrisoning of that city which was decided to be the venue of the Peace Conference by Gen. Hsiung's troops, that is to say, Gen. Chiang's troops. For this reason, they had demanded the removal of Gen. Hsiung and his troops from Shanghai and the appointment of Gen. Chen Ming-shu as Garrision Commander of the Shanghai-Nanking Area and transfer of the 19th Route Army there for garrison duty. Anxious to bring about peace, Gen. Chiang accordingly accepted the demands and transferred Gen. Hsiung Shih-hui to Kiangsi as Chairman of Kiangsi Provincial Government together with his troops, thus opening the way for the transfer of the garrison of Shanghai to the 19th Route Army. This exposure of what was a real inside political complication will suffice to convince any unprejudiced man as to the real motive why the 19th Route Army was brought to the Shanghai Area. Whether it had come to Shanghai for internal, political reasons or "to seize the International Settlement" can best be left to the judgment of the impartial public or even the prejudiced Japanese propagandists. The real truth is that the presence of the 19th Route Army in Shanghai was one of many important factors, such as the release of Messrs. Hu Han-min and Li Chi-sen by General Chiang Kai-shek, etc., which were responsible for the successful convocation of the Nanking-Canton Peace Conference at Shanghai.

In accordance with the agreed arrangement, the regiments of the 19th Route Army evacuated the Kiangsi battle front early in October last and the first contignent arrived at Nanking on October 14. Meanwhile, the Canton Authorities declared that as soon as the Divisions of the 19th Route completed taking over of the Shanghai-Nanking Area, the Southern peace delegation consisting of Messrs. Wang Ching-wei, Eugene Chen, Li Wen-fan, Sun Fo and C. C. Wu would proceed to Shanghai immediately to attend the peace conference. In the middle of Oct. last, the 19th Route Army took over the garrison of Shanghai and Gen. Tai Chi, former acting Commander of the 61st Division, was appointed Garrison Commander of Shanghai-Woosung Area. Thus assured with the presense of the 19th Route Army units, the Canton peace delegates arrived in Shanghai on Oct. 21 last and after perfecting arrangements the final peace conference was opened in Shanghai which finally culminated in the re-union of Nanking and Canton factions.

Apparently, the regiments of the 78th Division of the 19th Route Army under Gen. Ou Shou-lien were among the first to arrive at Shanghai and some of them were placed under the immediate command of Gen. Tai Chi for garrison duty of Shanghai and Woosung. Regiments of the 60th Division under Gen. Sheng Kwan-han were distributed between Soochow, Wusih and Quinsan with headquarters at Soochow, while the 61st Division under Gen. Mao Wei-shou was charged with the garrison of Nanking, Chingkiang and Changchow districts.

Prior to the outbreak of the Shanghai Affair on Jan. 28 last, the main body of the 19th Route Army was stationed in the rear along the Shanghai-Nanking Line and according to official records there was only one Division in the Shanghai-Woosung Area, the 78th Division. This Division consists of two Brigades, 155th and 156th Brigades, the former garrisoning Lunghua, Nantao and Chenju, while the latter being in defense of Woosung and Chapei. It was the 6th Regiment of the 156th Brigade of

(*Continued on page 253*)

Proof That Newsmen Steele and Lindt Interviewed Gen. Ma

The above is a picture of the two foreign correspondents, Archibald Steele of the *New York Times* and Dr. A. R. Lindt of the *Deutsche Allgemeine Zeitung*, together with Gen. Ma Chan-shan the famous Chinese loyalist commander in North Manchuria. The picture was taken near Gen. Ma's headquarters "somewhere" in North Manchuria, but supposedly near Hailun where Gen. Ma previously had his headquarters. Steele and Lindt spent seventeen days on the trip which required considerable horseback riding since Gen. Ma's headquarters was far off the railway which is controlled by the Japanese. Upon their return to Harbin both Steele and Lindt were persecuted by the Japanese militarists who alleged that the correspondents had brought back with them letters from Gen. Ma addressed to the League Commission and to Marshal Chang Hsueh-liang. A full account of their complications, as well as the complications of other foreign correspondents in Manchuria appeared in *The Review* on July 9. Mr. Steele is on the left in the above picture, Mr. Lindt in the center, and Gen. Ma, commander of the Manchurian loyalist troops, on the right.

China's Intellectual Leaders Assemble at Nanking

A conference of intellectual leaders and experts in international law and relations commenced its sittings in Nanking July 11. The conference is sponsored jointly by Wang Ching-wei, president of the Executive Yuan, and Dr. Tsai Yuan-pei, president of the National Research Council. The following is the list of delegates in attendance at the conference:

From Peiping: Dr. Hu Shih, Tao Meng-ho, Dr. V. K. Ting, Dr. Chiang Mon-lin, Chien Jui-sheng, Li Ssu-kwang, Tao Hsi-sheng, Tang Po-huang, Fu Meng-chen, Hsu Shu-nsi, Chou Ping-lin, Dr. Yen Shu-tang, Li Shu-hua, Dr. Chiang Ting-fu, Chang Hsi-jo, Dr. Weng Wen-hao, Wu Chih-chun and Jen Hung-chien.

Tsinan: Dr. Chu Ching-nung.

Tsingtao: Yang Chen-sheng.

Tientsin: Wu Ting-chang, Dr. Chang Po-ling.

Wu-Han: Dr. Wang Shih-chieh, Messrs. Chou Keng-sheng, Pi Tsung-shih, Wang Sing-kung, Chen Yuan, and Yang Tuan-liu.

Canton: Messrs. Teng Hsiao-ssu and Hsueh Dsu-kuang.

Shanghai: Messrs. Hsu Sing-loh, Ting Hsieh-lin, and Chang Siao-mei.

Nanking: Drs. Ma Yin-chu, Lo Chia-lun, Wu Sung-kao, Messrs Tung Kuan-hsien, Mei Ssu-ping, Kao I-han, Li Sheng-wu, Liu Pei-lin, Hsieh Kuan-sheng and Chen Pu-lei.

At the first meeting an important discusssion took place on the following diplomatic problems, namely, (1) recovery of occupied territories in Manchuria, (2) negotiations with Japan, (3) support of the Chinese volunteers in Manchuria, (4) the Manchurian crisis and the League of Nations, (5) the proposed Japanese recognition of the puppet Manchukuo and (6) proposed resumption of Sino-Soviet relations.

Dr. Lo Wen-kan, Minister of Foreign Affairs, made a detailed report on the diplomatic situation since the Manchurian crisis of September 18 last year. Views were freely expressed by those present, many of whom have made a special study of the Manchurian question.

Proposed Readjustment of Farm Tax

It is understood that President Wang Ching-wei has instructed various Provincial Governments in the country to submit plans for the proposed readjustment of the farm tax. It will be recalled that as a result of his discussions with T. V. Soong, Minister of Finance, it was decided to devise measures for the readjustment of the farm tax as a means of increasing the national revenue.

Regarding the proposed national finance conference, it is reported that the object of the forthcoming conference will be, firstly, to demarcate provincial and national revenues and, secondly, to lay down definite measures for the enforcement of rigid economy both in the Central and Provincial governments.

Japanese Blue-Jackets Withdrawn from Nikka Cotton Mills

A section of blue-jackets belonging to the second battalion of the Japanese Naval Landing Party, who had been stationed at Nikka Cotton Mills in Woosung in order to afford protection to the factory, evacuated the premises July 6, after having transferred the police duty to the local Chinese Bureau of Public Safety. The blue-jackets have been transferred to the premises of Da Kung Mills in Yangtzepoo. Simaltaneously with the evacuation of the Japanese marines, the military wires connecting Woosung and Shanghai were removed.

Dr. and Mrs. Frank Garrett Retire From Mission Work

Dr. and Mr. Frank Garrett of the United Christian Missionary Society, stationed at Nantungchow, Kiangsu, have returned to the United States where they plan to make their future home, their permanent address being 7828 N. W. 6th Ave., Miami, Florida. Dr. Garrett spent 36 years in mission work in China, while Mrs. Garrett spent 18 years, most of which was at the "model" city of Nantungchow, located, some 80 miles up the Yangtsze from Shanghai. But while retiring from active missionary work they plan to return to China in 1936.

Fishery Administration Bureaus Organized

Regulations governing the organization of the Fishery Administration Bureaus have been promulgated by the Ministry of Industry. According to these regulations, the bureaus will assume control over the sea-fishing industry. The maritime provinces will be demarcated into four areas, namely, Kiangsu-Chekiang, Fukien-Kwangtung, Hopei-Shantung, and the North-east, in each of which a bureau will be established. The organs will be under the direct jurisdiction of the Ministry of Industry, which shall determine the date of their organization as well as the areas to be allotted.

Land Allotted at Hangchow for Arsenal

The Ministry of War has decided to purchase a piece of land 300 mow in area at Hangchow for the new site of the Kiangnan Arsenal, which is to be removed from Shanghai in accordance with the decision of the Military Affairs Commission. The new site, which is near Zakow, Hangchow, is considered by officials of the Arsenal as very suitable both in point of communications and other considerations. Building operations estimated to cost $500,000 will be completed in six months. It is understood that the Arsenal will be renamed the Wuling Arsenal.

Curious Career of a Japanese Ronin "Hero"

(This article reproduced from The Japan Chronicle for July 6 sheds considerable light on mediaeval political conditions prevailing in Japan. According to an editorial reference to the career of Mr. Toyama which also appeared in The Chronicle it was suggested that the outside world might not view the heroic career of Mr. Toyama in the same light as it apparently is viewed in Japan).

MENTION has already been made of a special supplement issued by the *Japan Times* on the subject of Mitsuru Toyama who has lately celebrated his seventy-seventh birthday. There were no fewer than thirty-two articles in this supplement, some of them complimentary addresses on the occasion of the birthday, some of them longer and professedly biographical. A search for facts in these articles is somewhat disappointing, and some of their writers evidently felt this, as they make various apologies for being able to say so little to the purpose about their hero, the Ronin leader. Even Ryohei Uchida, himself a Ronin of no mean reputation and professedly a devoted follower of Toyama, says that Mr. Tomaya "refrains from using his mental and physical faculties as far as poosible." Let us gather what facts we can from these thirty-two articles.

Mitsuru Toyama was born on April 12th, 1855, at Kukoda Kyushu, the son of a petty samurai living on an allowance of 100 koku of rice a year. As a child he was so dull that he was a sort of village idiot, and it is recorded that on one occasion his companions jeered at him because his loincloth was hanging down, but though it fell right off he did not notice. On another occasion his mother gave him a coin and told him to buy *konnyaku*, and he showed so little intelligence that he spent the whole amount, and so little care that he dropped half of the armful on the way home. Once he caught some catfish in the castle moat and ordered his companions to bring the accesories of a feast, which he insisted on sharing equally—thus, we gather, showing at this early age his democratic spirit and also his indifference to the law, fishing in the moat being forbidden.

Though against the etiquette of the samurai, he used to feed in cookshops and leave his mother to pay the bill. It is also recorded that, left in charge of a geta shop, he sold off the stock at a ridiculously low price. Such were early evidences of the lordly disregard for money that he has displayed throughout his life.

Early Signs of Frightfulness

Approaching manhood, he joined the school of a lady who was an oculist and who also taught Chinese classics and swordsmanship. Here, in playing a game in which a blindfolded player had to guess who touched him—the touch, as the game progressed, developing into a good smack—the young Toyama, having rightly guessed who smacked him, took his turn and also his revenge by banging his blindfolded victim on the head with a hibachi, knocking him senseless. Another time, when he pretended to be sound asleep, one of his fellows, unable to wake him, touched him with a hot charcoal, whereupon he leapt up and strangled the boy into unconsciousness, leaving the others to revive him.

So heroic a character was evidently destined to the political life. The first we hear of him taking part in politics is when he gets arrested on suspicion of complicity in the Saga rising—an affair which kept him in jail until after the Satsuma rebellion broke out, and we are assured that this saved his life, because, such was his desire to serve the State that, had he been at large, he must have joined the rebellion and participated in the general belly-cutting with which it closed.

Apparently school was resumed after the term in jail, for, when the great statesman Okubo was murdered in 1878, Toyama again came under suspicion. We are told that the police searched his house and were convinced that they found evidence of his complicity, nor are the panegyrists at all anxious that he should be cleared of this charge. Yet the murderers of Okubo were influenced largely by their victim's proclivity for constitutional government, while Mr. Toyama's admirers credit him with the authorship of the Imperial Diet. Having established the Diet, Mr. Takahashi tells us, Toyama watched the statesmen vigilantly, and advised them from time to time. Apparently he advised journalists as well, for Mr. Tokutomi tells us that he was for years in danger of physical assault from the followers of Mr. Toyama, and the cowardly attack on Mr. Murayama, of the *Asahi*, in 1918, has always been credited to these same heroes.

But we are anticipating. When the police searched Toyama's house for evidence in the Okubo murder, Toyama was absent, but afterwards went round to the police station, where he asked the policemen whether, when they visited his house, they had eaten any food. They replied that they had. "Then you will have a pain presently, for the food was poisoned," he said, and they were confounded at his wit. By this time Mr. Toyama had so considerable a following that there was some danger of his being rescued from jail, so the police beat up his followers and sent him to the more secure jail at Yamaguchi.

After the Saigo rebellion had failed, Mr. Toyama, who had evidently begun to form his habit of advising statesmen, advised Itagaki to start another rising; but Itagaki "enlightened" him, and showed him that the time for military action had gone by, and that in future reform could be accomplished only through political associations. Hence, perhaps, we find him in 1878, with all the fame of being suspected of complicity in political assassination fresh upon him, figuring as the Kyushu delegate at the revival of the Aikokushu, or Patriots' Society. More famous, in the way of a political association, however, was his Genyosha, the date or occasion for the formation of which is not mentioned, but which, we are told, was feared by all statesmen (unless any was as careless of his life and as fearless of death as Mr. Toyama), and which contrived much intrigue and espionage in Korea and China.

For more than a decade after these events, the panegyrists supply no details of their hero's activities, so we may hazard the conjecture that it was at this period that he aspired, as K. Hase tells us, to be a superman, and spent some years in the mountains, meditating, and living, like a *sennin*, on grass. He underwent mental training, and by this means became fearless of death. As a result of all this he arrived at the conclusion that the multiplication of wants and the pursuit of self-interest cause all the unhappiness in the world. He had (and still has) great physical strength, a most capricious appetite, and a will so strong that he cured himself of cancer by fasting. In his younger days he "concentrated on dissipation," but nowadays he never drinks, and to this abstention and his calmness of mind he owes his health and longevity. In his *sennin* days he once had an endurance test with a Zen priest, both remaining awake and motionless for five days, but we are not told who gave in first. As regards manly exercises, Toyama was supposed in his younger days to be an invincible swordsman, though quite unskilled in the art of fencing. He often used to walk barefoot and scorned the luxury of a mosquito net. He is so merciful that he will not even kill a mosquito, and he once took home a dog that had bitten him and fed it.

The Attempt on Marquis Okuma

The next activity for which we can find a date is the attempt on the life of Marquis Okuma, then Foreign Minister. Not that dates are given by the panegyrists, who scorn exactitude, just as the Genyosha, Mr. Toyama's gang of bravoes, scorned learning. Okuma at that time was trying to negotiate a treaty revision, and because he offered more protection to foreigners than the bravoes thought consistent with their dignity, one of them demonstrated the need of protection in which respectable men stood by throwing a bomb at the Foreign Minister. Mr. Kojima, a member of the House of Peers, lays emphasis on the fact that this bombthrower, Kurishima, was a follower of Toyama, and seems to hint that it was very clever of Toyama to be found in Osaka with nothing in his possession but a parcel of love-letters. Another admirer, Mr. Yuigahama, also draws attention to the connection between the two men, and pointedly says that "after this, Toyama was feared by all statesmen," which is as much as to say that he had directed the attempt. If the Western reader asks how it is that such acts do not bring abhorrence on their authors, it is difficult to answer; the fact that political murderers have shrines dedicated to their memory indicates that there is a point of view in these matters which is beyond the Occidental understanding.

Toyama's influence as a "ronin" increased. The word had romantic associations, and Toyama never accepted any sort of office because he was always the despot. He refused to join a patriotic body called the Kokumin Kyokai, which offered him mere membership, but warned it that he should watch its acts with interest. And we may suppose that it was because of this despotic temper that though he was one of the promoters of strong action in Korea, which was overrun by spies and bullies acting under his direction, he was not concerned in the heroic deeds engineered by Viscount Miura and Mr. Adachi, lately Home Minister under Mr.

Inukai. Mr. Adach, in his garland of praise, gives Toyama the credit of the bomb thrown at Okuma, and the honor of organising the Genyosha and of being the friend of Tomofusa Sassa, but though he says he is "the only surviving leader who aspired to extend the glory of the Empire beyond the seas," it is clear that Toyama had nothing to do with the glory won by Miura and Adachi at Seoul in 1895. Several of his eulogists give Toyama credit for a large share in the fomenting of the war with China in 1894—a struggle in which, though he was a samurai and only 39 at the time, he found his time fully occupied in organising patriotism at home rather than in participating abroad. But references to the China war are somewhat vague. Much more definite is the part he played in the war with Russia.

His admirers record that some months before the war came he organised an Anti-Russian Society, and that his men played an important role in precipitating war with Russia as they had done in precipitating that with China; that he called on Prince Ito and warned him that the fate of the empire was in his hands, and also called on Count Aoki, the Foreign Minister, and informed him that strong measures were necessary.

The late Dr. Terao, one the Seven Stalwart Doctors, records that he and his fellow stalwarts were getting impatient at the delay in declaring war on Russia. (The late Prince Ito's was the chief restraining hand. He was as courageous as any of his fellow-countrymen, but wiser than most, and believed that Japan could be served better by friendship than by war.) One day Dr. Terao called on Mr. Toyama, and said, "Well, sir the time has come when the nation must ask for your help." The reply was immediate: "Whom do you think we must get rid of first?" Dr. Terao mentioned the name of a great leader who was opposed to war, and Mr. Toyama replied that eveything was already prepared for the purpose. But war came, so neither Prince Ito nor anybody else had to be bumped off by the redoubtable patriots.

Interpreters Who Could Not Interpret

But when the war was well launched, twenty of "the many young men whom Toyama's slightest hint would send into the jaws of death," came to their master and asked how they could die for the country. So many were already dying for the country that one might have supposed that the matter was simple enough, and that a special request to be allowed to join Nogi's army would be sufficient. But on behalf of his followers, Mr. Toyama went to the War Office, and got the young men attached to one of the armies as "interpreters," though none could interpret. They appear to have been employed on espionage work, and so to lack even the modest share of personal glory which is the lot of the soldier who dies in action; but their sacrifice adds to the brightness of the Toyama halo.

Such were the warlike feats of this great patriot, whereby he not only began but won the war against Russia. We have to come down a long way before we find him influencing the course of history again except by "physical and mental inaction" The next great act was the extension of his friendship to the late Dr. Sun Yat-sen, when that patriot made one of his several visits to Japan during a political storm in China. Several references are made to this incident. It was during the time when Count Yamamoto was Premier, 1913-14, that Dr. Sun, taking refuge in Japan, had some difficulty in getting ashore. At the instance of Mr. Toyama, Mr. Inukai approached the officials and got a permit for Sun to land. Mr. Toyama paid his expenses for six months thereafter, according to Dr. Terao —a kindly act, but not specially heroic. Mr. Inukai says that he told Count Yamamoto that Toyama would protect Dr. Sun Yat-sen by drastic action if necessary, and adds that what drastic action means is understood by all Japanese! Alas! only a month after uttering these words of praise, Mr. Inukai himself was the victim of drastic action, being murdered in his own house by a group of officers, for patriotic reasons.

A great deal more is said regarding Mr. Toyama's protection of Rash Behari Bose, which happened a couple of years later. Mr. Bose's own account says that he had come to India because of "some political reason." It has to be remembered that it was war-time, that Mr. Bose was an avowed enemy of the British Raj, and that Japan was in alliance with Britain in prosecuting the war. The Japanese authorities issued an order directing Mr. Bose and his companion Thakur to leave the country. They went instead to Mr. Toyama's house, tricked the police in getting out, and hid in the house of one of his followers. Mr. Hirota (a former Ambassador to Russia) says that Viscount Ishii, who was Foreign Minister at the time, apologised to the British Ambassador, saying that Toyama was so powerful that the Government dared not take the Indians from his protection. Mr. Yuigahama, who also relates the incident makes Baron Matsui do the apologising, but the Baron was not Foreign Minister till 1924, some nine years later! One authority says that Toyama kept Bose under cover for six years, another says eight years, Mr. Bose himself says "many years." The case of Mr. Bose was referred to by more of the panegyrists than any other heroic action, and they all emphasise that Mr. Toyama did this "at the risk of his life." But since the Government did not dare interefere, since the Opposition used it as a stick to beat the Government, and as we have it on the authority of Count Soyeshima that the attempt at deportation was so unpopular that it led to the anti-British campaign of 1916 (a disputable thesis, however), it is difficult to see where Mr. Toyama risked his life in protecting Mr. Bose. He ran no risk whatever.

Hospitality to Murderer of Inoue

Little more is recorded by the panegyrists regarding heroic deeds, and none of them make mention of the hospitality of the Toyama house being open to the murderer of Mr. Inoue as recently as February last. It is a current report that this was the place where the murderous priest was located when it was reported that he had been found but not yet arrested.

As for other matters, there is not very much to record. Mr. Toyama came of not at all wealthy parents, and, beyond expressing his belief that a patriot will never starve, has done nothing very definite for a living. One admirer says that he could have been a captain of industry, or a Minister of State, and another says that in mediaeval times he would have been lord of a castle. He has dabbled considerably in mines, and, when he has made a coup, he has let his followers help themselves. But when short of money he has given his watch in payment or has sold a valuable sword. Viscount Miura says that during the mining speculations he was a persistent borrower, so that at last the Viscount had to say that there was no more money for him. Asked what he intended to do when his speculations had ripened, he said he intended to make thirty million yen and bribe the whole Diet into joining one big party! And this is the man who is supposed to have promoted democracy, and been no mere ronin leader. The thirty millions never materialised, but he made Yen 750,000 in one deal in Hokkaido mines—more than one panegyrist testifies to this—but Viscount Miura rather caustically remarks that none of this was used for the purpose of forming the Great Party. We learn nothing about his family beyond that he has never thought about providing for it, and there is the bare mention of a Mrs. Toyama. Now, in his age, we learn, he piously visits the Meiji Shrine daily to offer prayer, one thing he has prayed for being manhood suffrage. For the rest, he is like a mighty rock in a weary land, like Buddha, like Fuji, like Jizo; he has no property, but his doors stand open day and night; he has no means of subsistence and there is no record of what he has done—in spite of his biography by Mr. Sugiura. He has always sought the peace of the Far East, and has started two wars for that purpose. And he is the exponent of Yamato Damashii and Oriental morality. Mr. Miyata extolling him as such, for "The highest peak in Oriental morality is found in the principle of inaction."

Some very distinguished men are among the thirty-two panegyrists from whose lucubrations we have drawn these scanty facts—everything material that they said being recorded above. Why they offer these testimonies it is very hard to understand, but it is very much *more Japonico*.

Government to Block Postal Workers' Conference

Steps were taken by the Central Party Headquarters and the Ministry of Communications to prevent the holding of a conference of the National Postal Workers' Union scheduled to be held July 15 at Shanghai under the auspices of the Shanghai Postal Workers' Union.

In view of the fact that the Shanghai union is not legally constituted and that it has frequently disobeyed the orders of the Authorities, the Central Party Headquarters is determined to block the conference. It is also feared that, under the present strained relations between the postal authorities and the postal workers and the internal dissension among the workers themselves, serious consequences may result if the meeting should materialize. It is learnt that the various Post Offices throughout the the country will be instructed by the Ministry of Communications not to grant leave of absence to their staff during this period unless satisfactory reasons are given.

Filature Workers' Strike

BY PAUL K. WHANG (汪仲芳)

THE one month's intense fighting between the Chinese and the Japanese in the neighborhood of Shanghai has very much animated the minds of Shanghai people, so much so that no sooner than the unhappy situation was liquidated, labor unrest became intensified. The Post Office employers and workers led the way by proclaiming a citywide strike which lasted about five days. They were followed by the workers of the local Telephone Company, who, however, returned to their work unconditionally after about two weeks' unsuccessful walkout. After paralyzing the local public utility services partially or wholly, this virus has now begun to affect the employees of other industries. To follow the "fashion" of the labor strike, about 2,000 female workers of three silk filatures in the Hongkew district went on strike on June 27 on the alleged ground that the managements had refused to consider the following three demands:

(1) That the former method of work be resumed in order to maintain the quality of silk produced;
(2) That the present working day of 12 hours be reduced to 11 hours, from 5.30 a.m. to noon and from 1 p.m. to 5.30 p.m.; and
(3) That the 58 cents per day wage scale be maintained.

Since the beginning of the new season, out of the total of 115 silk filatures in Shanghai, only twenty-eight have resumed operation: fifteen in Chapei, ten in the International Settlement, and three in Nantao. Because of the strike of the workers in three Hongkew filatures, the managements of other filatures in the vicinity so far not affected have spontaneously suspended operation, fearing that some mishap may occur to their filatures through the instigation of the strikers, and, furthermore, those silkmen who have a mind to open up their filatures have also abandoned their plan, pending the settlement of the present labor dispute.

The Last Straw for the Silkmen

In view of the acute distress of our silkmen resulting from the continuous depression of silk business for the past few years, it is only a natural conclusion that any increase in the operating expenses will prove a last straw to the silkmen. Granted that the workers' grievances are based on sound reasons, the time is undoubtedly not opportune for them to ask for the amelioration of working conditions, because those few filatures which are being operated now are actually incurring a heavy loss every day; but they have to be opened in order partly to finish their surplus cocoons, and partly, we may also say, to give a livelihood to the workers. It must be said that no matter how much the workers have been underpaid, their position is much more fortunate and better than those who can not secure employment because of the wholesale suspension of silk filatures. But human wants can never be satisfied, and those who manage to get an inch always long for a foot. In saying this, I run the risk of being charged with holding a partial view against the labor cause. However, the facts are too apparent to be ignored, and any one who is familiar with the present silk condition will probably follow my viewpoint.

The three demands as presented by the filature workers can not be dismissed without giving each a careful consideration. In regard to the improvement of the quality of silk production, it is a demand which should rather be made by the management than by the laborers. It has been a long known fact that the poor quality of China silk has very much impaired its international prestige, and thereby caused it to lose its position in the world market. For many years, a movement has been on foot among the silkmen to improve the quality of their production by distributing disease-free eggs sheets free of charge among the country people before the cocoon season, and by installing modern machinery to replace the old and obsolete units in their filatures. But their efforts have not been crowned with much success, largely because of the fact that since the ascendancy of the labor union in 1927, the managements have experienced great difficulty in enforcing factory discipline among the workers, who, as a rule, have been always ready to walk out on any slight pretext. This recalcitrant attitude of the workers is largely responsible for the non-improvement of China silks. Now the workers, who have hitherto complained about the rigid discipline, which, as a matter of fact, is one of the requirements for the production of good silk, have put in their demands the allegation that the management should not increase the quantity of silk production at the expense of its quality. It is rather curious for the workers to remind the silkmen that the quality of silk should be maintained, while the silkmen have indulged in the improvement of the quality of silk for a long time. If the workers are sincere in their purpose to improve the quality of their products, they can contribute more by following strictly the instructions and giving their whole attention to the work at the time of production. Moreover, the silkmen have been fully aware of the fact that to sell poor silk to our customers is a suicidal policy, and therefore they will not go beyond the point of maximum production without giving an equal attention to its good quality. In view of these facts, we can not help concluding that the silk workers, in including this allegation in their demands, have intended to bid for public sympathy by showing that what they have demanded is not exclusively for their own benefit, but for the welfare of the the silk industry as a whole.

As to the decrease in working hours, it must be conceded that the present working hours must be reduced so as to give the workers sufficient hours for recreation and the discharge of household affairs. It is reported that the silkmen have already agreed to reduce the working hours by one hour every day. Therefore so far as this demand is concerned, an agreement can be said to have been already reached.

The third demand pertaining to the maintenance of the old wage scale proves to be the chief handicap in bringing the present dispute to an early settlement. Before the cocoon season, a few filatures which operated after the liquidation of the Shanghai embroglio had the wages cut from 58 cents a day to 42 cents a day. This reduction was then fully approved by the workers who were said to be very grateful to those silkmen who in spite of the adverse business condition opened up their establishments so that the workers could earn a livelihood. But this gratitude proved to be a short-lived one. With the opening of more filatures recently, they mistake it for the sign of business revival, and therefore they think that they should be accorded the old treatment. It is true that the present wage scale is very low and not proportional to the high cost of living, but they must also realize that out of millions of silk workers in Shanghai, only a few thousand can secure this reduced wage, while the large majority has been left without employment. In contrast with the plight of the unemployed workers, they should be satisfied with meagre income. In face of the business depression, wage-reduction has been generally practised in industries and commerce of other countries, so as to prevent the wholesale suspension of industrial and commercial houses and throwing the wage-earners out of employment.

Better to Receive a Little than Nothing

The far-sighted workers will be only too glad to accept reductions in wages instead of receiving nothing, as would happen in the case of their being without employment. Thus, silk workers, before agitating for returning to the former wage scale, should ascertain themselves whether the present business conditions warrant a general increase of 16 cents without working an injurious effect upon the silk industry as a whole. True, they should demand a decent wage to keep their body and soul together, but it is no less true that they should also give a careful consideration to the well-being of the industry from which they draw the income. Now without caring about the future of their means of livelihood, they have resorted to a strike to enforce their demands upon the silkmen. They may have their demands accepted by the silkmen for the time being, but in the end they will regret what they have done in "killing the goose that lays the golden eggs." Their present action will also do much harm to their unemployed fellow workers, because it will likely thwart the plan of those silkmen who are on the point of resuming the operation of some of their filatures. The well-being of the majority of silk workers will thereby be sacrificed by a few agitators who are fortunate enough to be employed but who are now not satisfied with what they are getting.

The strikers under the instigation of a few agitators have been inclined to resort to violence to intimidate the managements, while, the latter have stood firm on their ground by stating that they would rather close down their filatures than surrender to the laborers. To complicate the situation, a split has occurred in the camp of the strikers, a majority of the workers having publicly pronounced that they were forced to leave their work under duress and that they are willing to work unconditionally. But unfortunately this majority of saneminded and far-sighted workers is an inarticulate mass, lacking an able leader who can use her influence to liquidate the strike—which is evidently under the manipulation of a minority of agitators. The prolongation of the strike, it is hoped, may find the agitators in a more conciliatory mood and the inarticulate mass becoming articulate, when their savings have been running low and their stomachs have been generally affected.

Shanghai, June 12, 1932.

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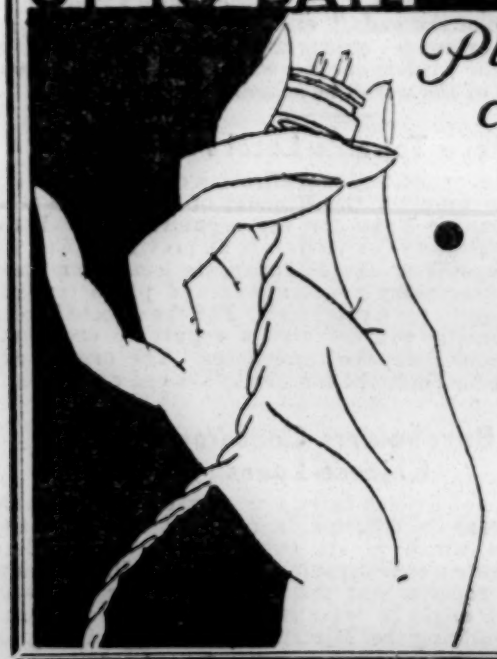

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Native Banks Reluctant to See Tael Disappear

In connection with the proposed abolition of the "tael" and adoption of the "dollar" as the standard monetary unit for the country, the Shanghai Native Bankers' Guild, in a telegram to the Ministry of Finance, declares that while the Guild endorses the proposal in principle, the refom, if eventually decided upon, must be introduced and carried out gradually so as to avoid any undue disturbance to trade. The Guild also suggests that prior to the enforcement of this reform, the Government should first effect a thorough readjustment of the country's paper and metallic currency.

The telegram points out that before the opening of intercourse with Western nation, the tael had been the recognized currency unit in China. Since that time, however, the dollar has gained currency side by side with the tael. While for the past few decades the country has undoubtedly been suffering from the existence of a double currency unit, it must however be conceded that this dual standard has contributed in no small measure to the successful tiding over of various crises brought about by political and military vicissitudes, the Guild claims. Moreover, although the dollar has now attained very wide circulation, the tael remains the medium in Sino-foreign trade transactions, as well as the unit in various commercial agreements and collection of Customs duties. While the existence of such an anomalous system is to be deplored, it is equally certain however that such a system can not be changed overnight without undesirable consequences.

Continuing, the telegram pays a tribute to the Ministry for its efforts to improve the country's currency by introducing the proposed reform. It points out however that if the reform is to be carried out at all, the Government must first effect a readjustment of the country's paper currency and bring about uniformity in the currency system. The various sections of the community which are likely to be affected must also be consulted in the fixation of the rate of exchage between the dollar and the tael. A period of grace must be given before the enforcement of the proposed change. In other words, the Guild maintains that cautions steps must be taken to prepare the ground for this admittedly desirable reform.

The telegram also suggests that the Government should put into effect strict regulations regarding the paper and metallic currency so that a uniform as well as stable currency may be evolved.

On the other hand, if the proposed change be put into operation without any period of transition, the market and the currency situation would be upset, and an impetus would be given to reckless speculation, the telegram concludes.

Japan Sells Silk in China: Boycott Suggested

The leading Chinese silk merchants in Shanghai met July 8 to discuss measures to combat the import of Japanese silk into the China market. The meeting had been prompted by the prevalence of rumors that some of the Chinese silk filatures in Shanghai are using raw silk imported from Japan. As the result of the discussion, the merchants decided to make inquiries from the Maritime Customs as to the varacity of the reported growth of import of Japanese raw silk, and to elect a body of investigators to make inquiry into individual silk filatures as to whether they are using Japanese raw silk or not. The Japanese press telegrams say that a prize of 500 yuan will be given to any one who reports the secret use of raw silk by individual manufacturers.

Japanese Repudiate Sale of Surplus Silk To N. Y. Interests

Several weeks ago it was reported that the Japanese Government in order to obtain money for the financing of its Manchurian and Shanghai mlitary adventures, had decided to dispose of the Government's surplus stocks of silk to New York interests, Now, according to a report in *Time* Magazine for June 13, the Japanese Government has cancelled the contract and announced that the huge silk stocks will be used for domestic purposes. The New York firm that had contracted to purchase the Japanese silk stocks was E. Gerli and Company, the total value of the contract being G.$16,320,000.

The Japanese reason for repudiating the contract was the effect of the deal on the silk market, the price of raw silk dropping to G.$30 a bale. According to the report the Japanese Government will buy the silk from its own Department of Agriculture for G.$14,600,000, the payment to be made in government bonds.

Commercial Press to Resume Operations August 2

The Commercial Press will resume operations beginning August 1, according to a decision reached at the annual conference of shareholders held at the Special District Chamber of Commerce in Shanghai July 9. As the printing plant of the Commercial Press in Paoshan Road in Chapei has been completely destroyed the printirg plants in Peiping and Hongkong will be used for printing all the books. The operations in these two plants have been expedited and so far more than 10,000,000 copies of primary school textbooks and more than 1,000,000 copies of middle school textbooks together with several hundreds of thousands of copies of dictionaries for students have been printed.

The management of the Commercial Press has secured a new building on Burkill Road in Shanghai to serve as its printing plant and another building on Avenue Road which will be used for block-making.

Government Asked for Funds to Help Rehabilitate Cultural Institutions

Government assistance for the rehabilitation of various cultural organizations in Shanghai, which were ruined by the various Japanese air bombardments last February, is being urged by the Shanghai City Chamber of Commerce on behalf of the Publishers' Guild in a petition to the Executive Yuan. With the destruction of the Commercial Press, the premier publishing house of China, the Oriental Library, and other properties of members of the Guild, the extent of damages is estimated at over $20 millions, the petition states. It is requested that the Ministry of Finance be instructed to appropriate $500,000 monthly out of funds available through the extension of the period of amortization of domestic loans; and that claims be made on the Japanese Government for payment of indemnities.

Edward Hunter Takes Russian Bride at Harbin

Edward Hunter, special correspondent in Manchuria of the *International News Service*, the Hearst organization, was married at Harbin June 30 to Miss Tatiana Pestrikoff, formerly interpreter to the U. S. Consulate-General at Vladivostok. At the ceremony as witnesses and guests, were George A. Hanson, American Consul-General, Mr. Lilliestrom, U. S. commercial attache, A. T. Steele, *N. Y. Times* correspondent and a large number of personal friends of the bride. The rites were performed by the Rev. Mr. Charles S. Dening. Mr. and Mrs. Hunter spent their honeymoon at Hoshigaura.

Paul M. Linebarger Returns to China

Paul Myron Linebarger, legal advisor to the national government, end of last week returned to Shanghai after being engaged 18 months in a special mission abroad for the National Government of China. Mr. Linebarger, who was legal advisor of Sun Yat-sen, declared that from his canvass of the world political situation, the world's future is now in the "lap of the gods," either for a new Dark Age or for a worldwide prosperity. These events were dependent on the wisdom or otherwise of the international group leaders of the world, he added.

The Move Towards Local Autonomy

In order to expedite the realization of local autonomy throughout the country, the Ministry of Interior has petitioned the Executive Yuan for the organization of Local Autonomy Preparatory Committees in all provinces. According to the proposal of the Ministry, the local committees will make the necessary preparations and plans towards ultimate autonomy of the provinces. For the remote border regions, the Ministry will despatch a deputy to each province to assist and direct the committees. The organs are to be established all over the country by the end of August.

British Bondholders Concerned About Chinese Loans

The concern of British investors over China's default on external loans is reflected in a recent article in the *London Times* which points out that the bondholders affected constitute a considerable number. The British view with concern reports that the Tientsin-Pukow Railway revenues, which might be set apart for bondholders, have been used for building the Ministry of Labor building in Nanking.

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Peace Prospects in Kwangtung's Naval Dispute

(By Our Canton Correspondent)

WHILE military tension in Hainan and Canton was so serious at one time last week that many observers and those in close touch with the Canton military authorities predicted inevitable hostilities between General Chen Chi-tang and Admiral Chen Cheh, the latest developments in the capital of Kwangtung of the last few days have shown that the leaders of both the Government of Canton and their opposition are more inclined to resume the peace negotiations. The stern action taken by the Nanking Central Political Council in urging both parties to respect the mediation suggestions of the Kuomintang Party leaders and the avowed non-participation in further internal strife announcements made by the Canton flying officers and commanders of the Nineteenth Route Army undoubtedly have their good effect on the complicated Canton political situation.

Tsai Ting-kai as Mediator

The famous Chinese soldier and officer commanding the Nineteenth Route Army during the recent Sino-Japanese struggle in Shanghai, General Tsai Ting-kai, was accorded an enormous welcome by the Chinese masses in Hongkong and Canton. This Chinese General was entertained by numerous Chinese public organisations, including the Chinese Chamber of Commerce of Hongkong and Canton and a big banquet arranged by leading members of the Hongkong Chinese Community. Unprecedented scenes were witnessed in Hongkong during General Tsai Ting-kai's arrival on the *President Wilson* last week when a huge crowd of 5,000 Chinese assembled on the Bund to cheer his arrival. Special foreign and Chinese Police officers had to be summoned by the Chinese leaders to protect the distinguished Chinese military leader, about whom they had heard so much during those troubled months in Shanghai. Thousands fought their way in the streets, through which the General passed on his motor, to have a glimpse of General Tsai, who they supported financially during the last Shanghai "war." By a coincidence it was almost the same group of Chinese bankers and merchants, who sent their huge amounts of money to the Nineteenth Route Army not very long ago, who participated at the banquet given in General Tsai's honour at the China Restaurant. The Canton Government, which has not been friendly with the Nineteenth Route Army because of the disagreement between General Chen Ming-shu and General Chen Chi-tang in 1931, was officially represented at the Hongkong dinner parties to welcome General Tsai. The Canton Police Commissioner, Ho Lok, delivered the Canton Government speech of welcome at the Hongkong dinner party and subsequently the southern Government also sent its envoys to accompany General Tsai during his visit to Canton.

Harmony Among the Generals

Equally if not more enthusiastic arrangements to entertain General Tsai Ting-kai were made during the last week by the Canton Kuomintang and Government officials to give the Nineteenth Route Army officers the impression that the Southerners, although they were unable to share the hardships of these Cantonese divisions in resisting a foreign foe, would not hesitate in providing financial assistance to any Chinese army, which had the audacity to fight against an invading army with much more superior arms and fighting machinery of the most modern made.

Since his arrival here General Tsai Ting-kai had several conferences with General Chen Chi-tang. He promised to give the Nineteenth Route Army a monthly subsidy of $200,000 during the coming anti-Communist expedition in Fukien. The new understanding has been regarded as the beginning of a general and more harmonious reunion among the Cantonese generals which may even lead to a settlement of the Hainan imbroglio. General Tsai Ting-kai, who met Admiral Chen Cheh and Mr. Hu Han-min during his brief stay in Hongkong and had some unofficial discussions with them concerning Canton political issues was many times asked by the Canton Chinese merchants to mediate in the Hainan quarrel. This role of peace envoy the Nineteenth Route Army general has declined, but instead he devotes himself in conferences with General Chen Chi-tang and Mr. Hsiao Fu-cheng, who has been mentioned in many quarters as the possibility to become the new Fukien Provincial Chairman. Interviewed, Mr. Hsiao said yesterday that he was earnest in seeing the elimination of the Communist evils in Fukien and if appointed by Nanking to be the chief civil administrator to co-operate with the Nineteenth Route Army he would endeavor to make the entire suppression of the Fukien lawless elements the primary object of his regime.

Relations with Kwangsi Province

Simultaneous with the arrival of General Tsai Ting-kai the Kwangsi officer, General Li Tsung-jen, who recently threatened to turn the tables on General Chen Chi-tang and organised another invasion into Kwangtung, also returned to Canton which immediately brought great assurance of the fear of a resumption of the inter-provincial warfare between Canton and Wuchow.

General Li Tsung-jen has declined an invitation from Admiral Chen Cheh asking him to form an alliance with the Hainan naval group. Instead, this foremost Kwangsi general has pledged his continued allegiance to the Nanking Government and because of his unexpected pronouncement to keep away from further internal strife in the South and the new understanding reached between General Chen Chi-tang and the Nineteenth Route Army officers Admiral Chen Cheh to-day issued a statement saying that the concentration of his gunboats in Hainan does not mean in the least that a rebellion is being organised against the Canton Government. The Navy is supporting the Nanking Government and while they resent the reorganisation and retrenchment scheme worked out by Chen Chi-tang's clique the naval officers and some of the discontented flying officers will obey any instruction from the Central Government regarding their future activities. Admiral Chen Cheh suggests the use of the navy to assist the Nineteenth Route Army in the suppression of the Fukien bandits.

New Force In Fukien

One political factor which has emerged since last week is the most evident increase in popularity and power of the Nineteenth Route Army which has the support of both General Chen Chi-tang financially and the rebellious navy and although these Cantonese divisions are assigned a remote district in Fukien the present expedition offers them an unprecedented opportunity to recuperate after their strenuous work in Shanghai and to train new regiments of soldiers which may in time prove to be useful if the much talked of campaign to Manchuria to recover the lost territories materialises.

Admiral Chen Cheh has been ill for the last few days and his new statement supporting only the Nanking Government was issued with the unanimous agreement of his naval supporters and General Chang Hui-chang, the dismissed and former head of the Canton Government Aviation Administration. Since his arrival in Hongkong some eighty per cent of the Canton Government aviators, who served under General Chang, took French leave and deserted the Canton Government's aviation administration. Among those officers who came down to Hongkong were Col. Yeung Koon-yu, the director of the Canton Aviation School, and his colleagues. The action of these aviators in placing their side with the rebellious Navy is believed to be the direct reaction to the present nation-wide movement against internal warfare in China, a movement that was initiated by the Shanghai General Bankers' Association, the General Chamber of Commerce and other public bodies in the South.

When interviewed by the writer one of these officers said during the week end that they left the Government in Canton not because of any disagreement over politics with their higher officers but because they absolutely refused to take part in any civil war in China. And so when the Government ordered them to proceed to Hainan to blow up Admiral Chen Cheh's cruiser *Chungshan* and other gunboats they had no choice but to leave the Service. The informant added that he and his colleagues would rather lose their jobs than be the instruments of staughtering their own countrymen. Some of these officers participated recently in the Shanghai fighting against the Japanese.

Is it as yet too early to predict what these aviators intend to do if General Chen Chi-tang and Admiral Chen

Cheh fail to come to a compromise as they have indicated their willingness to join the Nineteenth Route Army in Fukien or surrender to the Nanking Government in the event of the appointment of General Chang Hui-chang as the head of the Nanking aviation administration.

Gunboats Remain in Hongkong

Concernning Admiral Chen Cheh's gunboats about a dozen of the small vessels, which resemble armed launches in other countries, have remained in Hongkong. There is a story that the British naval authorities demanded that Admiral Chen Cheh should send those gunboats away following the grave mistake of a Canton Government airplane which mistook the H.M.S. *Moorhen* for Admiral Chen Cheh's flagship *Chungshan* and dropped many bombs at close range to the British vessel, which almost ended in great disaster. As a result of the British warning, so continues the story, Admiral Chen Cheh promised to dismiss the higher officers on board these small gunboats to show the British authorities that these vessels will refrain from participation in civil strife in Hainan. The reason for the inactivity of these gunboats is because they are too small to be of any use in Hainan and because of their size the Chinese Admiral considered it unwise to send them out to the Hainan strait.

In addition to its political uncertainty the Canton Government is now facing the menace of another big Communist invasion from north Kwangtung where some 70,000 Communist bandits are known to have arrived at the Tayuling mountainous regions from Fukien on hearing of the arrival of the Nineteenth Route Army.

Canton, July 5, 1932.

Light Railway to Link Wuhu and Chapoo

Construction of a light railway linking Wuhu, main port of Anhwei, with Chapoo, the proposed site of the late Dr. Sun Yat-sen's Great Eastern Port on the Chekiang coast, is sponsored by Messrs. Li Shih-tseng and Chang Ching-kiang, members of the Central Supervisory Committee. It is learnt that approval of the Ministry of Railways has already been obtained.

This railway, which will traverse a distance of approximately 160 miles, will be built as a private enterprise by a corporation. It will be a narrow-gauge line, designed to serve the needs of the districts it traverses.

Soochow Officials Praised for Protecting Japanese Property

One of the first acts of the Japanese officials on reopening at Soochow was to make a round of the shops and residences of the Japanese residents in said town with a view to examining the conditions of Japanese properties left behind after the evacuation of all Japanese residents. They found that, excepting one instance where a house was broken into and properties stolen, all properties in the shops and houses of Japanese residents were practically kept intact. The Japanese officials expressed thanks for the care taken by the Chinese officials for the protection of these properties.

Peiping Bureau of Education Is Abolished

Abolition of the Peiping Municipal Bureaus of Education and Finance, for reasons of economy, was officially announced in an order issued by the Peiping Municipal Government July 6. Tsai Yuan, Commissioner of the Bureau of Finance, is be transferred to head the Bureau of Social Affairs. The Bureau of Education will be reduced to a section under the Bureau of Social Affairs. All affairs formerly dealt with by the Bureau of Finance will hereafter be taken care of by the Municipal Government, which has created a Finance Section for the purpose. Li Fu-ting will be in charge.

Drought and Cold Cause Havoc in Kansu Province

According to reports from Lanchow, provincial capital of Kansu, the summer crops at Lungte, eastern Kansu, have been destroyed by an extraordinary snowstorm which swept the city for two hours. Vegetation was frozen by the cold weather, coming as it did so late in the year. The situation in southern Kansu, west of the Tao Ho (River), is said to be grave due to the long drought and famine. In order to mitigate the plight of the people, the Provincial Authorities have decided to exempt those districts from the farm tax for a period of three years.

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No. 2

19th Route Army Active Against Bandits in Fukien

Active participation of the famed 19th Route Army in the bandit-suppression campaign in Fukien has begun. On the receipt of reports that the city of Shihchung, in southwestern Fukien, is again in danger, one regiment of the 60th Division attached to the 19th Route Army proceeded westwards to its rescue.

To guard against a probable invasion of Kwangtung by the defeated bandits along the eastern Kwangtung border, General Chen Chi-tang, Commander of the Kwangtung Provincial Forces, has ordered the 8th Division and two training regiments to proceed to Meihsien, Wuhua, Hingning, and other cities in north-eastern Kwangtung for garrison duties.

The defense of Namyung and other points on the northern Kwangtung border has been strengthened by the arrival of the 3rd Independent Division under General Li Han-hun and the 1st Independent Brigade under General Fan Tee-hsing. With this heavy concentration of troops, the districts around Nankang, Namyung, Tayu, and Sinfeng are expected to be cleared of the bandit menace in the near future. Namyung's defence is being participated in by the 1st and 4th Divisions respectively under Generals Li Chen-chiu and Chang Mei-hsin and the 2nd Independent Brigade under General Chen Chang-fu, are taking the offensive against the bandit forces at Nankang.

The two Kwangsi divisions which have been ordered by General Li Tsung-jen, Commander of the Kwangsi Provincial Forces, to assist the Kwangtung troops, are marching to southern Kiangsi via Kwangtung. Meanwhile, fierce fighting has been continuing west of Tayu, following a second attempt by the outlaws to take Namyung, south of Tayu, across the border. The bandits are reported to have suffered heavy casualties.

A military conference is being called at Tayu, on the Kiangsi-Kwangtung border, by General Yu Han-mou, Commander of the 1st Kwangtung Army and concurrently Field-Commander of the Kwangtung troops engaged in the anti-Red campaign in southern Kiangsi, in order to decide on the disposition of the various units under his command and to map out plans to curb the activities of the "Red" forces. All ranking commanders engaged in the campaign will participate.

In view of the "Red" activities on the Kiangsi-Kwangtung border, General Li Tsung-jen, Commander of the Kwangsi Provincial Forces, recently telegraphed to Generals Chou Tsu-mien and Wang Chan-pin, respectively Commanders of the 19th and 44th Kwangsi Divisions, ordering them to proceed immediately to Shiuchow to reinforce the Kwangtung units.

Three hundred "Red" bandits, advancing from Tienchinkai and Pingkangchai along the Peiping-Hankow Railway, recently launched another assault on Kwangshui station, northern Hupeh, but were repulsed by the government forces there. As a precautionary measure against the brigands invading the northern section of the Line the 40th Army under General Pang Ping-hsun and the Independent Division under General Shen Ke have been despatched to garrison Taming, Yungnien and Kulu, all in southern Hopei.

Kwangtung Airplanes Used Against Bandits

Three aviation squadrons of the Kwangtung Air Force, comprising 18 airplanes, have been assigned to assist the army units engaged in the bandit-suppression campaign in southern Kiangsi. The outlaw forces, after their defeat by General Yu Han-mou, Commander of the 1st Kwangtung Army, east of Tayu, retreated to their bases at Hingkuo and Yutu, west of Tayu. The territory south of the Kwangtung-Kiangsi border is now entirely clear of bandits.

Six additional airplanes belonging to the 1st Aviation Squadron of the Kwangtung Air Force have been despatched by General Huang Kwang-jui, Commander of the Kwangtung Air Force, to assist the army in their operations. The 3rd and 4th Aviation Squadrons are already participating in the campaign.

General Chiang Complains of "Sabotage"

Rumors alleging that General Chiang Kai-shek is organizing a Fascist Party for China were categorically denied by General Chiang in a statement issued at Hankow July 10, General Chiang instead re-affirmed his unwavering faith in the Kuomintang as the instrument for the completion of the National Revolution. He says it is the sabotaging by counter-revolutionaries of the organization and methods of the Kuomintang that is primarily responsible for the present failure of the National Revolution.

Since July 11, General Chiang Kai-shek has been receiving the district magistrates of Hupeh (69 in all) in groups of fifteen daily. The anti-bandit and anti-Communst campaign is making some progress, but there is probably considerable truth in the statement made in Japanese telegrams that the chief stumbling block to the successful launching of the bandit suppression expedition lies in the lack of sufficient military funds to carry on the campaign. Under the existing stringent financial conditions it is difficult achieve success. It is said that General Ho Ying-chin has asked for $5,000,000 to carry on the campaign but that Finance Minister T. V. Soong has reduced the sum to half of the amount, adding that the Government would not be able to furnish more than $1,500,000 monthly during the first six months.

Gen. Chen's Airplanes Bombard Hoihow

Recent telegrams from Hoihow stated that Gen. Chen Chi-tang's airplanes bombarded Hoihow July 6 and destroyed a few houses, including a five-story building. Twenty casualties resulted. The airplanes bombarded the destroyer *Fei-ying* in Hoihow harbor, dismantling the vessel and killing one officer and twenty marines. The *Fei-ying* sank. Another of Chen Cheh's gunboats arrived and rescued the marines who were wounded, including the *Fei-ying's* commander Yang Yeo-kwei. The Hainan communities in Hongkong and Canton are indignant because of the destruction of property at Hoihow.

Tsai Ting-kai Mediates Between Southern Rivals

Efforts at mediation by General Tsai Ting-kai, Commander of the 19th Army, in the dispute between General Chen Chi-tang, Commander of the Kwangtung Provincial Forces, and Admiral Chen Chih, Commander of the Kwangtung Naval Squadron, have resulted in a plan for reorganization of all marine units under Admiral Chen and their participation in the anti-Red campaign in Fukien, under the direction of the 19th Route Army. The Kwangtung Provincial Government will contribute a sum of $100,000 monthly towards their support for three months. The island of Hainan is to be taken over by the Provincial Forces under General Chen, replacing the marines. All of Admiral Chen's gunboats, excluding those which remained in Canton, will be placed at the disposition of the Central Government. Admiral Chen, it is understood, will go on a tour abroad. General Tsai, who was to have left for Amoy this week, has postponed his departure in order to complete arrangements.

Peace Between General Tsai and Admiral Chen

The final act terminating the dispute between General Chen Chi-tang and Admiral Chen Tse, took place July 10 when General Hsiang Han-ping, Commander of the 2nd Kwangtung Army, and General Chang Hui-chang, former Commander of the Kwangtung Air Force, formally signed the peace accord on behalf of General Chen and Admiral Chen respectively. In accordance with the terms of the agreement, three army transports are to proceed to Hainan Island to convey the marines to Fukien for participation in the bandit-suppression campaign in Fukien now being launched by the 19th Route Army.

Stanley Dollar Elected President of United States Lines Co.

A report in *Time Magazine* on June 13 stated that Robert Stanley Dollar, son of the late Capt. Robert Dollar, was elected president of United States Lines Co. of Nevada, successor company to Paul Wadsworth Chapman's United States Lines. The new U. S. Lines was backed by the Dollar-Dawson-Roosevelt-International Mercantile Marine interests. Although Mr. Dollar will be president of the company as originally intended (business matters made him delay his election, William F. Humphrey, attorney for Herbert Fleishhacker temporarily took the post) the active management will be in the hands of Roosevelt Line officers: Philip Albright, Small Franklin, Kermit Roosevelt, John Merryman Franklin, Basil Harris, P. V. C. Mitchell, Andrew Curtein Fetterolf. From the I. M. M. board last week resigned John Pierpont Morgan and his partner Charles Steele, leaving the company without a Morgan representative for the first time since it was formed in 1893.

New Japanese Bank Law Enforced as from First of July

The new Convertible Bank-note Law of Japan to expand the maximum amount of fiduciary issue of the Bank of Japan from the present Yen 120,000,000 to Yen 1,000,000,000, which was approved in the last extraordinary session of the Diet, is being enforced as from July 1.

In operating the new system, the Bank of Japan authorities are taking extremely cautious measures to avert the possible harmful effect of inflation that may be felt in the financial and economic circles of the Japanese nation.

While more or less expansion of currency in circulation is held to be inevitable due to the financial requirements of the Japanese Government, the central bank will not effect any appreciably liberalisation in its loan policies even after the promulgation of the new system.

The central bank applies the minimum interest charges on 30 days or shorter term funds secured by Japanese Government bonds, and the amount of such loans is not limited in order to bring about an easier flow of money and to accelerate the lowering of money rates. The bank officials, however, are determined to impose higher interest rates on any loans for longer terms and will place strict limitation on the amount.

Another important new legislation that was enforced from July 1 is the Law to Prevent the Flight of Capital..

Shanghai Chinese Want to Recover Manchuria by Force

The recovery by military force of the occupied territories in Manchuria is strenuously advocated by the Shanghai Federation of National Salvation Associations in a circular telegram recently sent to Peiping. After recapitulating events since September 18, 1931, the message deplores the failure of the League of Nations and other world powers in upholding international justice. Japan grows bolder day by day, her latest attempt being to seize the Chinese Maritime Customs in Manchuria. The telegram asks how can the Government discharge its responsibilities to the people when out of two million men-at arms none, except the 19th Route Army, has fired a shot against the invaders? There are now hundreds of thousands of soldiers in the Northern provinces and if these are ordered to assist the gallant Volunteers in Manchuria, recovery of the Northeast should not be so difficult a task.

Japanese Shipping at a Low Ebb

The New York Far East shipping route has been invaded by the Mitsui and Kawasaki shipping companies, thus adding to the already strong competition. Japanese ships in the Pacific are now carrying lumber at $3.25 per ton, which rate means a loss even for motor vessels. The Kobe Shipping Exchange announces that the total tonnage distribution in Japanese coastwise services is now 1,560,000 tons. Unable to obtain suitable charters or cargoes, many Japan shipowners are inclined to tie up their vessels. Two 10,000 tonners and two 8,000 tonners have been arranged to be relegated since the recent tonnage distribution porter.

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Japanese Send More Cavalry to Manchuria

The outstanding feature of the events in Manchuria during the week was that the Japanere army occupied the city of Henghaotze on the eastern section of the Chinese Eastern railway. The city had for some days previously been attacked by a large force of Chinese Volunteers, having been defended by a Manchukuo garrison. The attackers were driven off during the fore part of this week and the Japanese have in the meantime taken possession of the city.

A previous telegram from Harbin gave thrilling details of how a band of 150 Russians with one cannon and three machine-guns kept a force of 4,000 men at bay at Hengtaohotze. On the morning of July 7 a force of 4,000 anti-Manchukuo troops and "Red Spears" launched an attack against said city, but were stopped by the Russian defenders, who were commanded by a Colonel Emlin. The engagement lasted until nightfall, when the ammunition of the defenders ran low. Realising that it would be folly to continue in the face of almost certain capture and possible death, they decided to withdraw.

Martial Law at Shanhaikwan

In the meantime there is a strained and threatening situation at Shanhaikwan. One report had it that the Japanese forces had been increased by a thousand men and that extra ammunition had been brought in. Other reports said the Japanese commander had an interview with General Ho Chu-kuo July 11 and that an agreement had been arrived at for joint maintenance of order.

Martial law has been declared at Shanhaikwan, with curfew hours effective from 8 p.m. daily. This precaution is taken in view of the Japanese garrison units having been increased and that bandit and "ronin" elements are planning to create trouble in Shanhaikwan. Harassed by the activities of the volunteers, the Japanese military have ordered the farmers to cut the rice and kaoliang plants within a 7-mile radius along the so-called Mukden-Shanhaikwan Railway, Tahushan-Tungliao Railway and Yingkow-Kowpangtse branch Railway so as to prevent the volunteers from hiding in ths fields. The Japanese are still afraid of leaving the railway.

The batch of Japanese troops despatched from the Osaka and Kurume Divisions under the command of Major Miyazaki arrived in Tientsin July 9. The newly arrived troops replace those who have hitherto been on guard duty in North China.

The Japanese are far from having things their own way in Manchuria and Imperial sanction has once more been secured to dispatch further troops to Manchuria, particularly cavalry—the Yoshioka brigade.

One brigade under General Hsu Pao-chen formerly under General Ma Chan-shan, stationed at Ningnien and Laha stations on the Tsitsihar-Keshan Railway and at Noho, revolted against the puppet Manchukuo Government July 9. They disarmed the Japanese regiment under Colonel Nakamura at Ningnien, killing 44 of them. At noon the same day, General Hsu's units proceeded southwards to Wuchiatse station and there clashed with a detachment of the 2nd Japanese Division under Lieut.-General Tamon. General Ma Chan-shan has ordered the Heilungkiang cavalry forces and volunteers to rush to the aid of General Hsu. The return of these troops to the Government fold is reported to have aroused consternation among the Japanese at Tsitsihar. The main forces of the 2nd Division have been despatched to Wuchiatse to check the anti-Manchukuo forces from advancing further southward. Martial law has been declared at Tsitsihar and curfew hours are enforced at sunset.

Assisted by a Japanese artillery unit of 300 soldiers and six Japanese airplanes, 2,000 Manchukuo troops under Yu Chih-shan last week launched a heavy assault on the Chinese volunteers at Chaoyangchen, the terminus of the Shenyang (Mukden)-Hailung Railway, in eastern Liaoning. Huge conflagrations were caused by the bombs of the Japanese planes.

It is learnt that the Japanese military have alloted 500,000 yen for the reopening of the Mukden Arsenal, a part of which will be devoted to the manufacture of airplanes and motor trucks.

A sharp engagement occurred in the vicinity of Paiyan, a township about 60 miles north of Harbin, where a strong force of Japanese came into contact with 1,000 Chinese troops, believed to be part of the bodyguard of General Ma Chan-shan. An engagement lasting 10 hours was fought and the Japanese casualties are given officially as ten killed and 40 wounded. The casualties suffered by the Chinese are unknown but believed to be heavy.

Further fighting occurred on the outskirts of Koshan where the Hiramatsu detachment of Japanese with Manchukuo troops attacked a body of 300 anti-Manchukuo troops, inflicting heavy casualties. The Japanese claim to have killed 60. Shortly afterwards Japanese cavalry encountered a large body of anti-Manchukuo troops and had the best of the severe fighting which ensued.

General Wang Te-lin's National Salvation Army is active along the Kirin-Tunhua Railway, where traffic has been suspended. General Wang is also despatching troops to Kirin city, which is the objective of the loyalist units under General Feng Chan-hai now proceeding southwards from Sulan.

Japanese Concentrate on Jehol Border

An urgent telegram from General Tang Yu-lin, Chairman of the Jehol Provincial Government, reports that the Japanese have concentrated on the Liaoning-Jehol border preparatory to invading the province. The indications are that the move will be preceded by an ultimatum of the Manchukuo government. Measures for the invasion of Jehol and North China were decided upon at the Shenyang (Mukden) conference recently convened by General Honjo, Commander-in-Chief of the Japanese forces in Manchuria. It is reported that 30,000 units will be recruited by the puppet Manchukuo government to serve as the vanguards of the invading army and one additional Japanese division will be despatched to Manchuria from Japan to carry out the scheme of aggression.

Reports reaching Peiping indicate that 30,000 Volunteers now concentrated in the vicinity of Chaoyangchen, on the Chinchow-Chaoyang branch Railway, to guard against an invasion of Jehol by the Japanese. The Volunteers of western Liaoning have destroyed the railway tracks at Paimiaotse station and those between the Kowpangtse and Tahushan stations.

According to Harbin despatches, the Kirin Self-Defence Army under General Li Tu and Ting Chao re-captured Fuchin on July 6 and have advanced to Fukang, Fupu and Wanliho. The Manchukuo forces retreated westwards along the Sungari River. With the capture of Fuchin by the Government units, the Japanese attempt to attack Taheiho via the Sungari and Amur Rivers has been frustrated.

General Hsu Pao-chen's Kirin army, some 2,000 strong, which has been quartered in a Chinese village along the Tsitsihar-Keshan railway line, rebelled July 9. It is now fighting a furious battle with a Japanese detachment.

A deputy of General Ma Chan-shan, Chairman of the Heilungkiang Provincial Government, arrived at Peiping end of last week to solicit military funds and ammunition for the Heilungkiang troops. Since resorting to guerilla tactics, the Heilungkiang and Kirin troops have been frequently successful. But they lack funds and ammunition to carry on. Nanking and Shanghai are also being appealed to for help. Airplanes are asked for by them to help in opposing the Japanese.

The Tibetans Continue Attacks on Sikong

Reports from Chengtu (Szechuan) indicate that fierce fighting continues in eastern Sikong. The Tibetan troops launched a general offensive from five directions. In order that the people of Sikong may co-operate fully with the Szechuan authorities in checking the Tibetan menace, Peng Jung, representing the 39th Tribe in Sikong, is on his way to Chengtu to consult General Liu Wen-hui, Chairman of the Szechuan Provincial Government and Defense Commissioner of the Szechuan-Sikong border, regarding defense measures.

An urgent message from General Ma Lin, Chairman of the Kokonor (Chinghai) Provincial Government, reports that the Tibetan invaders have advanced eastwards from Yushu, south-western Kokonor. According to Ma Tse-min, Sikong representative at Nanking, out of 33 districts in Siang, 18 have been occupied by the Tibetan troops. The rest are being garrisoned by the combined Szechuan-Sikang forces under General Liu Wen-hui. The Tibetans continue to increase their forces.

WHY WAS THE 19TH ROUTE ARMY STATIONED AT SHANGHAI?

(*Continued from page 240*)

the 78th Division under Col. Chang Chun-sung who opposed the Japanese, when they launched their initial attack on Chapei in the fateful night of Jan. 28 last.

The foregoing statement of facts will serve as a convincing refutation to the two Japanese charges that the 19th Route Army was "Red" and had been brought here "to seize the International Settlement." Indeed, the 19th Route Army had most consistently respected the neutrality of the Settlement during the period of actual hostilities in Shanghai. While the Japanese were using the Settlement as the base of operations, the Chinese displayed unexampled forbearance in keeping out of the Settlement limits. The 19th Route Army could have very easily pushed into the Settlement area during the initial stage of the fighting, but they chose to remain out in order not to involve the neutral foreigners. Keeping these facts in mind, the impartial public will have no difficulty in concluding which Army, the Chinese or Japanese, had been dispatched here to seize the Settlement.

Bainbridge Colby Analyzes the War Debt Situation

Discussing the subject of war debts recently. Bainbridge Colby, former Secretary of State, pointed out that war debts can be cancelled only by the government of the United States; they can be repudiated by the debtor nations, but can only be cancelled by the volountary act of the creditor. Enlarging on the thesis, Mr. Colby said:

"The persistence of the belief, which in many quarters is doubtless sincere, that there is some defect of equity in the American position; that the grievous economic situation of the world is due in substantial degree to the existence of these debts, and that their cancellation would contribute to a restoration of normal world trade, merits attention, although the limits of this discussion admit of no more than brief and general treatment of these viewpoint. Let us recall what these debts are and how they were incurred. Congress passed the first Liberty Loan act in April, 1917. It provided that the United States government should sell $5,000,000,000 of Liberty Bonds to the public, and use $3,000,000,000 of the money thus raised to buy bonds of the allied governments. The principle on which the act was drawn was that our loans to Europe were to be self-supporting and never a burden to the American taxpayers. It was therefore provided that any foreign bonds taken by our government in payment should bear the same rate of interest as our Liberty Bonds and mature and become subject to retirement at the same time. The first Liberty Loan was followed by a second, third and fourth. In none of these transactions did the United States deal with the allied nations collectively. Each loan was an individual matter between this government and the particular foreign nation involved, and each foreign nation signed demand notes for the amounts loaned to it by the United States. . . . The dangers that lurk in conflicting national policies, in oppression of the weak by the strong, in the threat of invasion—take on new gravity if a nation which is unjustly assailed can no more look for help in any quarter of the world, for the reason that repudiation has displaced honor in international relationships."

Students Killed by Police at Paotingfu

Nine students were killed and over ten wounded at Paotingfu July 6 in a clash between the police and students of the Provincial Second Normal School for Hopei.

As a result of trouble between the school authorities and the students, the Second Normal School was ordered by the Hopei Provincial Government to be dissolved and to undergo reorganization. The students, however, refused to leave the campus and when the police were sent to enforce the order, they resisted.

Trouble originated when the students vigorously protested against the appointment of a new head-master who, in their opinion, was unsuitable for the post. As a consequence of their objections, which they threatened to back with force, the authorities decided to close and reorganize the school, giving the students notice to leave.

The students barricaded themselves in the premises which were surrounded by the police. In the encounter, rifles, sticks and stones were used. The police casualties were four killed and 12 injured.

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Men and Events

General Ugaki, Governor-General of Korea, was on a visit to Tokyo during the week.

The draft Railway Law, after being revised, was adopted at meeting of the Legislative Yuan at Nanking July 8.

General Huang Shao-hsiung, Minister of Interior, took charge of the Ministry of Communications, as concurrent Acting Minister, July 7.

Dr. Li Cheng has been appointed President of the National Peiping Normal University in succession to Dr. Li Chien-hsun, resigned.

General Li Yen-nien, Commander of the 9th Division, formally assumed office as concurrently Garrison Commander of Hsuchow July 6.

Fifteen Chinese were among the 330 graduates of the Tokyo Military Academy this year. The graduating exercises took place July 11.

An exhibition of Japanese goods manufactured by Tokyo industrialists was held in the premises of the Harbin Japanese Commerical Museum July 30.

Contraband drugs seized by Customs agents during the last six months and valued at appropimately $91,770 were burned at Pootung, across the river from Shanghai, July 9.

The death occurred at the Shanghai Sanitorium July 9 of Mrs William Yusen Lee. Mr. Lee is a director of the Chinese Y.M.C.A. and a prominent Shanghai business man.

The Japanese-owned *Choshun Maru*, which ran on the rocks off Tsingtao on the morning of July 6, sank in the afternoon. The vessel had been on the Shanghai-Dairen run.

The village of Kantsaotien, near Lanchow, provincial capital of Kansu, is reported to be suffering from an invasion of yellow mice which are devouring the ripening cereals.

The death occurred recently at Wuhu of Miss Kate L. Ogborn, one of the senior missionaries of the Woman's Foreign Missionary Society of the Methodist Episcopal Mission.

A recent computation of the coal deposits in Siberia places the reserves at 1,165 billion tons of coal. Siberia thus occupies second place after the U. S. A. in coal resources.

A Chinese art exhibition under the direction of Chan Shu-yen was announced to take place at the International Institute of Arts and Sciences, 393 Route Ferguson, Shanghai, July 15.

Arthur R. Ringwalt, American Vice-Consul, has returned to Shanghai from a visit of several months at his home in Omaha, Nebraska, and at the State Department in Washington.

The Japanese practice squadron, composed of the Cruisers *Yakumo* and *Iwate*, was due back in Japan this week from an extended practice cruise to New Zealand and South Seas.

While inhabitants of Hankow and other cities along the Yangtsze are fearing a recurrence of flood, Szechuan province is suffering from drought. More than 30 districts of the province are affected.

An extraordinary session of the Japanese Diet will be convened not later than August, it was informally announced by Premier Viscount Saito at a reception given at his official residence in Tokyo July 11.

A National Financial Conference is scheduled to be held in Nanking on July 20, for the purpose of readjusting finances in the provinces. The Ministry of Finance is making preparations for the meeting.

According to the Russian newspapers at Harbin, Mr. Yakovleff, secretary of the Soviet Consulate in that city, who is alleged to have mortally wounded a Chinese chauffeur on May 22, was arrested upon his return to Russia.

All schools in Shanghai and neighborhood have been ordered by the Department of Education for Kiangsu to postpone the summer vacation so as to make up for lost time in consequence of the Japanese invasion of Shanghai.

General and Mrs. McCoy members of the League Commission now in Tokyo, were entertained by Marshal Prince Kan-in, President of Japan Red Cross Society, at a luncheon party in Tokyo July 13. It will be remembered that General McCoy had visited Japan at the time of the earthquake in the Tokyo District, as the head of the relief party from the American Red Cross Society. The Japan Red Cross Society owed much to the assistance of the American organization at that time, and the luncheon was intended as meaning the returning of thanks for same.

The Executive Yuan has transferred Wu Nan-ju, "Chien-Jen" (second rank), secretary to the Ministry of Foreign Affairs, to be Director of the Intelligence and Publicity Department, in succession to Chang Shih-hsu. (Samuel Chang).

Mayor Wu Teh-chen, of the Municipality of Greater Shanghai, called on Vice Admiral Sakonji, Commander-in-Chief of the Japanese Third Fleet, at the flag-ship *Idzumo* July 9, this being a return of the call made recently by the Vice Admiral upon the Mayor.

R. Armour, Far Eastern manager for R. C. A. Victor Company, and E. Grimling, manager of the international division of the R. C. A. Victor Company, have arrived in Shanghai to install their equipment in a new cinema studio to be built here at the end of the year.

Wang Shu-han, Chief Secretary to General Chang Hsueh-liang, arrived in Nanking during the week to report on the situation in the North to Wang Ching-wei, President of the Executive Yuan, following which he will proceed to Hankow to see General Chiang Kai-shek.

North China is reported to be experiencing real summer weather after a spell of unusual coolness. The temperature rose to 116 degrees Fahr. at Peiping on the afternoon of July 8. At Tientsin the weather was particularly trying, it being 120 degrees in the sun and 92 degrees indoors.

Mr. Yano, Councillor to the Japanese Legation at Peiping, who had been ordered to come to Shanghai to take charge of the local office of the Japanese Legation during the absence of M. Shigemitsu, the Minister, has delayed his departure for Shanghai, for family reasons, a report from Peiping states.

The Chekiang Provincial Government must face a deficit of $5,7000,000 in its new budget for the 21st fiscal year (July 1932 to June 1933), according to General Lu Ti-ping, Chairman of the Chekiang Provincial Government. A grant from the Central Government will be required to balance the budget.

Fears were entertained for the safety of Bonney Powell and "Newsreel" Wang of the Fox movietone who left Wanshien in the upper Yangtsze two weeks ago by junk headed for Ichang. All American war vessels in the upper Yangtsze region were ordered to make a search for the missing men but they later duty turned up at Ichang without incident.

Jigoro Kano, Honorary President of the Japan Athletic Federation, departed from Yokohama July 12 for Seattle. He will proceed to Los Angeles. The object of his trip is to endeavor to obtain approval among the world's representatives who are now gathering at Los Angeles to have Tokyo decided as the seat of the next World's Olympic, in 1940.

The steamer *Wu Hsieng* of the San Peh Steam Navigation Company, Ltd., Shanghai, struck a rock and sank 130 miles up the Yangtsze River from Ichang early on the morning of July 6. The vessel was loaded to capacity with gasoline and kerosene, the owners of the cargo being the Texas Oil Company. The *Wu Hsing* carried about 80 or more Chinese passengers.

A verdict of suicide was returned by U. S. Commissioner Krisel at the inquest into the death of Juan Y. Alonzo, a Filipino musician, who died in the Fooming Hospital July 5 as also did a Japanese dancing girl named Michina, employed at a cafe in Juking Road, Shanghai. Alonzo had shot himself; Michina had swallowed poison, following an altercation with another Filipino musician.

V. P. Grabareff, a British subject formerly in the Customs service was arrested by the Harbin police authorities July 7 on a charge of communist intrigue. The arrest was made with the attendance of the British Vice-Consul in Harbin. It is alleged that Grabareff has been engaged in communist propaganda in conjunction with the Harbin Communist Party with a view to creating serious disturbances.

Frazier Hunt, correspondent for Hearst's *Cosmopolitan Magazine*, who also is connected with the National Broadcasting Company, is now in Peiping on a trip through the Far East. He is accompanied by Mrs. Hunt and their son, Robert. While in Japan Mr. Hunt arranged for a number of high Japanese officials to broadcast addresses to the United States. Mr. and Mrs. Hunt visited in China about twelve years ago.

General Han Fu-chu, Chairman of the Shantung Provincial Government and concurrently Commander of the 3rd Route Army, left Tsinan July 9 for an inspection tour of western Shantung. During his absence, General Li Shu-chun, Provincial Commissioner of Civil Affairs, and General Sun Tung-hsuan, Commander of the 20th Division, will be respectively in charge of the civil and military affairs of the province.

Who's Who in China

杭立武
Han Li-wu

Han Lih-wu, born at Chu-Chow, Anhwei, in 1902; B. A. University of Nanking, Nanking, 1924; Research Student, University of London, England, 1926-28; Honorary Fellow in Political Science, University of Wisconsin, U. S. A., 1928-29, M. A., 1928; appointed editor, Examination Yuan, 1929; editor-in-chief, Editorial Bureau, Examination Commission, 1930; Research Professor, University of Nanking, 1930-32; Professor and Head of Department of Political Science, National Central University, 1931; Honorary Fellow, Academia Sinica; now Director, Office of the Board of Trustees For the Administration of British Remitted Indemnity Funds.

杭立武安徽滁縣人，生於西歷一九零二年，一九二四卒業金陵大學，一九二六年留英，入倫敦大學研究院，一九二八年得碩士位，即赴美威斯康新大學，任名譽研究員，一九二九年由美赴日考察，同年返國，任考試院編撰，一九三〇年任考選委員會編纂主任，一九三〇至三二年兼任金陵大學研究教授，一九三一年任中央大學政治系主任，中央研究院特研約究員，現任中英庚款董事會總幹事。

Central Political Academy Holds Commencement Exercises

The Central Political Academy at Nanking held its first commencement exercises July 8 when 285 students were graduated after a four-year course of political training. Ting wei-fen, member of the C. E. C., presided in the absence of General Chiang Kai-shek, Principal of the Academy. Several hundred high Party and Government officials and representatives of various organs were present, including Dr. Lo Chia-lun, the Dear of the Academy.

An address was delivered by Willys Peck, American Consul-General at Nanking, who stressed the traditional friendship between the United States and China and urged the graduates to work for the rehabilitation of the country.

Export Inspection Service to Be Extended

To complete its program regarding the examination and inspection of native products destined for export, the Ministry of Industry is planning to extend this service from coastal ports to all important cities in the interior. It is understood that branch inspection offices will be established in the following cities: Chinwangtao, Chefoo, Chungking, Wuhu, Soochow, Hangchow, Swatow, Kungpeh (Kwangtung), Kowloon, Foochow, Amoy, Mengtsz (Yunnan), and Wuchow (Kwangsi).

In order to obtain funds for the realization of the above program, the Ministry has decided to curtail the expenditures of the five Bureaus for the Inspection and Examination of Commercial Commodities now functioning at Shanghai, Tientsin, Hankow, Tsingtao, and Canton. The post of Vice-Director will be abolished and the staff reduced.

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New Books of Interest in the Far East

A Useful But Very Inadequate Year Book

The China Year Book of 1931-32, edited by H.G.W. Woodhead, C.B.E.; published by The North-China Daily News and Herald, Ld., Shanghai.

A foreigner once quite prominent in Chinese affairs once remarked that "H.G.W. Woodhead, C.B.E., knows everything about China and understands nothing." When this "wisecrack" was made, back in 1927, it was as exact as it was succinct, for the China Year Books of those days really contained virtually everything about China that one could expect to find in such a volume while Mr. Woodhead's comments thereon in his daily editorials displayed much vigor of writing but no understanding whatsoever. Today, however, judged by the latest China Year Book, this characterization is only half correct. Mr. Woodhead no longer "knows everything."

During the brief time since the 1931-32 Year Book appeared it has not been possible to examine each page, but a rather cursory check has revealed an astonishing number of inadequacies and some glaring errors. It may be taken for granted, of course, that there are grounds for reasonable difference in opinions on what a year book of China should contain, but the basis upon which this reviewer is making his criticism is one about which there would not appear to be any room for argument.

It cannot be denied that the most outstanding and significant events in China during the period Mr. Woodhead's volume covers are those growing out of Japan's seizure of Manchuria and Shanghai, and the rise of the communist movement in a number of the interior provinces of China. It follows, therefore, that a competent year book should contain as much information as possible on these subjects. Let us now note Mr. Woodhead's treatment of them.

In this preface he says that "in view of the highly controversial character of the events in Manchuria and Shanghai, I have deemed it best to refrain from attempting a narrative thereof, and to confine myself to the publication of relevant official documents." Here is a strange and sad admission from an alleged journalist. He cannot even give a narrative of a controversial situation!

In consequence the book contains a hodge-podge of documents, with a very few explanatory footnotes, on the Sino-Japanese situation, but no coherent account of the outstanding events to which these documents pertain. This reviewer is not attempting to discount the value of these documents, for they are essential and fully deserve the space Mr. Woodhead gives them. Furthermore, for one who has followed first hand both in Manchuria and here the course of the Sino-Japanese warfare, they are thoroughly understandable, but they surely must be terribly confusing to readers abroad of the Year Book. Unless a person has not had the job of daily keeping track of events, or hasn't filed away an innumerable amount of newspaper clippings, the documents Mr. Woodhead presents become virtually meaningless.

And his excuse for not presenting a narrative is, to put it mildly, silly. Few wars have been fought as openly as that of Manchuria and Shanghai, and little in the way of historical writing could be easier than to set down a clear and understandable narrative of uncontroverted facts.

Of course, it is probably just as well that Mr. Woodhead did not essay the task, for the only statement of importance he ventures hereon can only be described as the malicious misrepresentation of a pro-Japanese propagandist. In his preface, after reciting the Japanese ultimatum of last January 28, its acceptance by the Chinese, the declaration of a state of emergency by the Shanghai Municipal Council at 4 p.m., and the mobilization of the volunteers and foreign defense forces, he says that "the Japanese forces....did not move out to their defense positions on the outside Roads, in the Hongkew District, until nearly midnight, when they came into conflict with the Nineteenth Route Army."

This is rather adroitly worded and is evidently designed to convey the impression that the Shanghai warfare started because Chinese forces attacked Japanese bluejackets who were taking up defense positions on extra-Settlement Roads, as they had a right to do under long established precedent in this "Model Settlement." Which explanation, of course, is serving the Mikado instead of truth. There *might* have been, it is true, an attack on the Japanese along North Szechuen Road even as they allege, but that is their version only and is not supported by any uncontroverted evidence, and while it deserves quotation for what it may be worth, it is sheer propaganda to give it in the unqualified manner of Mr. Woodhead.

The known, uncontroverted facts are, that after the Chinese had accepted the Japanese ultimatum Admiral Shiosawa ordered all Chinese troops to exacuate Chapei, and shortly before midnight he started to move toward Chapei. At the same time all the ronins of Hongkew were mobilized and joined Shiosawa's bluejackets when they started their march, as did the Japanese members of the Shanghai Volunteer Corps. There is no positive evidence that any opposition was offered the Japanese until they had deployed *off* the extra-Settlement roads into exclusively Chinese territory. Further, there is no indication whatsoever that the Japanese were moving into *defense* positions, and it is sheer propaganda to say that they were. There is every reason to believe they were moving into *offense* positions, and while stating such a conclusion would be out of place in a mere recitation of facts, it would be considerable closer to the truth than what H.G.W. Woodhead, C.B.E., perpetrates.

Even when Mr. Woodhead gives a footnote to explain some of the documents reproduced he is not only very incomplete, but in one case conspicuously wrong, as when he has the Chinese army retreating on March 1 instead of March 3.

Another astonishing omission in the data on the Sino-Japanese situation is any account of the effects of the boycott in China on Japanese trade. Yet information, from Japanese official reports, is easily available and is of the utmost importance for understanding events that have been and are taking place. And, in connection with trade, it is also to be noted that Mr. Woodhead has no figures for Sino-foreign trade for 1931. His latest figures are for 1930,—in a year book published in the middle of 1932! Perhaps figures for some countries may not be avialble for 1931, but this reviewer definitely knows that figures for the United States and Japan are available.

Further, Mr. Woodhead's trade statistics are badly jumbled; only by a lot of calculations, for example, is it possible to find the *total* amount of British trade for any one year. Perhaps, of course, Mr. Woodhead does not care to have these totals set forth in a manner in which they could be easily compared,—but what a Year Book, what a Year Book!

On communism, or what is so called in China, Mr. Woodhead publishes nothing except a manifesto from General Chiang Kai-shek that it must be eradicated and a brief and incorrect account of the anti-Red campaign of last year. This campaign, contrary to the impression given by the account in the Year Book, did not seriously injure the Red forces and they give every evidence of being stronger today than they were before the campaign started.

Also, a "Soviet Republic of China" was proclaimed on November 7, 1931, in parts of four provinces with a population of 60,000,000 people, and the communist movement today directly affects not less than one fourth of the population of China, but of these highly significant facts one finds nothing in Mr. Woodhead's tome. Perhaps the "Soviet Republic of China" will be as short lived as many another Chinese government, but for the present it cannot be ignored.

It is true that adequate data on the communist movement is difficult to obtain, but in the last year there has been enough published, including some official reports to the Nanking government, that could be compiled into an informative chapter which would be vital to any reasonably competent account of what is happening in Cathay.

It is also worthy of note that Mr. Woodhead devotes almost four full pages to the relatively unimportant Thorburn case, but this reviewer is unable to find even mention of the much more important Nakamura and Noulens cases. The Nakamura case, it will be recalled, was of the utmost significance in the beginning of Japan's conquest of Manchuria, while the Noulens case—even from

Mr. Woodhead's viewpoint—has much more bearing on extraterritoriality than the case of Thorburn, which fundamentally amounted to nothing and proved nothing.

So much for the more outstanding defects of the 1931-32 Year York. It also has some good points. The Feetham Report appears to be competently summarized. The sections on general information, greater China, products, colonies, leased territories and settlements, geology, mines, minerals, communications, rivers and harbors, finance, religions, education, and a description of the Chinese government are complete and valuable. The section on labor is rather inadequate, but probably contains about all that could be expected in view of the difficulty in obtaining such information. The section on the Kuomintang is also somewhat inadequate, but not seriously so, except for its incorrect summary of last year's anti-Red war. A chapter on climate, and also one on insurance, that are new to this year book, are valuable additions. The former is by Father E. Gherzi, S. J., of the Siccawei Observatory, and the latter by Donald King.

All in all, the 1931-32 China Year Book, like its precedessors, is indispensable for a student of China, but far more than its precedessors of a few years ago its indispensability is due, not to its excellence, but to the fact that no other China year book is published.

W. B.

Shanghai, July 5, 1932.

Radek Predicts Japanese Clash with U. S. and Soviets

Asserting that Japan has taken advantage of the world's preoccupation with the economic crisis to embark upon a deliberate program of imperialistic expansion, Karl Radek, editor of the official Soviet organ *Izvestia*, writing in the July issue of *Foreign Affairs*, predicts that this policy if persisted in will inevitably bring Japan into direct conflict with the United States and Soviet Russia. In describing the reasons which have determined Japan to adopt an expansionist policy Radek refuses to accept the usual explanation offered by Japanese apologists—a prolific birthrate and American exclusion. "The Japanese," he writes, "have not been a particularly prolific race. From 1721 to 1846 their numbers increased from 26 millions to 26.9 millions, that is, by 900,000 in 120 years." The real origin of Japanese imperialism, he declares, is to be found elsewhere, particularly in the social changes which have occurred during the past century.

Journal of the North China Branch of the Royal Asiatic Society

The current number (Vol LXIII) of the *Journal* of the North China Branch of the Royal Asiatic Society is replete with useful information. The frontispiece is a half tone showing the new building which is being built on the old site of the Society in Museum Road, Shanghai, accompanying which is a brief description of same.

Porcelains of successive dynasties are described by John C. Ferguson. An interesting account of Huang Tu-shan, a Poet-Monk of Modern China is contributed by Sir Reginald F. Johnston. The Jesus-Messiah-Sutra, the oldest Nestorian document, is translated by P. Y. Saeki. Political idealists and realists of China of the fourth and third centuries B. C., is a topic ably treated by E. R. Hughes. Other articles contained in the *Journal* are The Aridity of North China, by Raymond T. Moyer; Chinese Anthropometrics: studies in Chekiang and Kwangtung, by Daniel H. Kulp; A Research Museum in Far Eastern Antiquities, by Dagny Carter Murphy; and Studies in Conduct and Character by Evan Morgan.

Telephone Extensions in Kiangsu Province

In order to bring northern and southern Kiangsu into closer contact, the Provincial Reconstruction Department is planning the extension of the present long-distance telephonic system in southern Kiangsu to six important cities in the northern part of the province. In view of the fact that the Yangtsze River divides the province, it is understood that submarine cables will be laid to span the waterway. The project is estimated to cost $60,000. According to present plans, the nine cities of Soochow, Wukiang, Changshu, Wusih, Kiangyin, Liyang, Changchow, Ihing, and Tanyang, in southern Kiangsu, will be linked up with Nantung, Yangchow, Taihsien, Tsingkiangpu, and other important cities of northern Kiangsu.

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Christian War Relief Body Holds Final Meeting

The final meeting of the Christian War Relief Committee held at the National building of the Y.M.C.A. in Shanghai July 8, presided over by the chairman, K. Z. Loh, was well attended, although many members of the Committee were absent from Shanghai on vacation.

On behalf of the Executive Committee, Mr. Lockwood made a brief summary of the work accomplished during the past six months. In addition to perhaps a total of 5,000 refugees provided for during the crowded period in churches, schools and Christian Association buildings, the War Relief Committee set up and maintained two large camps, one at the Continental Building on Nanking and Shantung Roads,, and the second on Brenan Road. The Continental Bank Building Camp was opened on February 5, seven days after the beginning of the troubles, and continued for six weeks. In this camp about 5,000 refugees were accommodated, the highest number at any one time being 3,200. The executive responsibility for the work in this camp was carried on by six members of the staffs of the Y.M.C.A. and Y.W.C.A. Co-operating with them were more than 100 volunteers who helped to carry out the following work: registration, medical, sanitation, education, food dirtribution, vocational follow up and rehabilitation work.

The second camp conducted by this Committee in the Government Research Laboratories on Brenan Road was opened on March 1 and closed on May 20, a period of 11 weeks. In this camp a total of about 3,500 refugees were cared for, a maximum at any one time being 2,100. Lines of work similar to this carried on in the Continental Bank camp were conducted at this centre, a large share of responsibility for these activities being taken by the members of the faculty and student body of St. Mary's School and St. John's University.

China to Stand Firm on Customs Question

That China stood firm and could not accept any compromise inimical to her interests on the Customs question; and that diplomatic representations for a just and early settlement of this matter on the part of the Friendly Powers should be made to Tokyo rather than Nanking, was the opinion expressed by Dr. Lo Wen-kan, Minister of Foreign Affairs at Nanking July 6. "China cannot agree," declared Dr. Lo, "to any settlement on a compromise basis on the Customs or other issues which impair her sovereignty and political and administrative integrity. Should China's international credit and solvency be seriously damaged—as inevitably they will in consequence of the illegal seizure of the Chinese Customs offices in Manchuria and Dairen by the puppet Manchukuo government which was created and is maintained by the Japanese military authorities,—Japan, not China, must assume full responsibility."

Continuing, Dr. Lo said that it was but natural that the Friendly Powers, which were interested in the Chinese Customs as security for their loans and which were committed to the teritorial and administrative integrity of China, could not regard with indifference the callous destruction of the mainstay of China's economic structure in violation of the Covenant of the League of Nations, the Nine-Power Treaty, the Sino-Japanese Agreement of 1907 as well as other solemn international agreements.

But it was emphasized by Dr. Lo that the rightful solution of the problem lay in effectively checking Japan's illegal action rather than in persuading China to make unjustifiable concessions.

"International pressure should therefore be brought to bear on Tokyo and not Nanking," the Foreign Minister concluded.

Salt Taxes to Be Made Uniform

Various changes in the salt tax have been authorized by the Central Political Council. The great variety of rates has lately been increased by the imposition of surtaxes in various localities. The effect of these many rates has been to encourage smuggling. Salt released for use in one consumption area enjoying a low rate is frequently smuggled into another area where the rate is higher. The duty for the small region within Shanghai, Nanwei, and Changsha is $3.05, whereas the rate in the area immediately adjoining these areas is $7.10. In south Anhwei it is $9.10 and it varies from $10.90 to $12.00 for other Yangtsze provinces. The ultimate object of the Ministry of Finance is to establish a uniform rate throughout the country. So many interests are involved, however, that the changes must be made slowly. By the proposed readjustment there will be a direct increase of salt revenue by $6,000,000 yearly.

Anti-Japanese Agitation Spreading to Country Districts

With the return of students to their native districts on summer vacation, the anti-Japanese campaign appears to be gradually spreading in the country districts. The Japanese press telegrams report the situation to be as follows:

Peiping: The Anti-Japanese and National Salvation Association, which had temporarily vacated its premises, returned to its original headquarters on July 7. Apparently, the Association is now ready to start a vigorous anti-Japanese campaign because the League Commission is now away in Japan.

Hsian, Shensi Province: Local merchants have gone on strike and closed their doors in protest against the forcible examination of their merchandise by Anti-Japanese Boycott organizations. The shop-keepers and clerks have gone so far as to carry out a demonstration parade. As a result, the local authorities and the Tangpu are now mediating between the merchants and boycott agitators.

Nanking: Local anti-Japanese and national salvation association seized a large quantity of Japanese goods at N. Y. K. hulk at Hsiakuan and carried it off to Nanking. The question has raised a big controversy among the boycotters and merchants concerned.

Japanese Agitation Feared in Foochow

In view of the apprehension that the anti-Japanese movement is likely to gain fresh impetus with the arrival of the 19th Route Army, Mr. Tamura, Japanese Consul General at Foochow, has requested Lin Chin-yuan, deputy chairman of the Fukien Provincial Government, to take strict precautionary measures so as to prevent any untoward incident. In reply to the Japanese request, the Chinese official pledged his determination to maintain peace and order so as not to embarrass Japanese residents and their interests, adding that Chairman Fang Sheng-tao, of the Provincial Government, is now conferring with General Chen Ming-su regarding the question of controlling excessive anti-Japanese agitation in the locality.

Japanese press telegrams state that the Japanese goods seized during the enforcement of the anti-Japanese boycott at Yenchow, valued at 400,000 yuan, would shortly be disposed of by order of the Provincial Government. Of the amount of money to be obtained by the auction of the seized goods, 30% shall be contributed to the Anti-Japanese Society, the rest being pooled among the former owners of the goods.

Anti-Japanese Feeling Still Strong at Tsingtao

Recently the Foo Chang Company, an engineering corporation with headquarters in Dairen, tendered for the construction of a new wharf at Tsingtao. Their offer was accepted by the Chinese authorities, in said city. Thereupon, the Tsingtao labor unions, numbering some 40 and comprising the ship-building, transportation, spinning and other industries, sent in a joint petition to General Han Fu-chu, Chairman of Shantung Province, to repeal the permission granted to the Dairen engineering works for the construction of the new wharf on the ground that the permission to carry out the work would go against the the spirit of anti-Japanese boycott campaign.

Liuhokow Miners Go on Strike

Miners of the Liuhokow colliery, west of Changte in northern Honan, suddenly went on strike July 10. Fearing possible violence and sabotage on the part of the strikers, a regiment of the 15th Independent Brigade under Major-General Yao Tung-fan was sent to Liuhokow to disperse the miners who were holding a meeting. Over ten ringleaders were subsequently arrested. Among those arrested are several communists. They have been sent to Changte for examination at the Headquarters of the 15th Independent Brigade.

Japanese Fishing Smack Captured By Pirates Off Fukien Coast

The Japanese Consulate at Amoy July 9 received an official request from the Governor of Taihoku Prefecture, Formosa, to rescue the crew of a fishing smack belonging to Japanese in Keelung, which was reported to have been captured by Chinese pirates while fishing about 50 miles off the coast of Chuanchow, in Fukien, several days previously. Two Japanese destroyers were ordered to leave Amoy in order to search for the missing smack. The boat later arrived back in Keelung.

American University Club Holds Annual Meeting

The American University Club held its annual meeting at the American Club in Shanghai, July 8, when Carl Neprud, deputy commissioner of customs, was elected president, and Z. L. Chang, vice-president. The principal feature of the meeting was an address by Dr. C. T. Wang, former Minister of Foreign Affairs, who spoke on "Reconstruction in China." In the course of his speech Dr. Wang said the world had grown accustomed to hearing and reading about the disruptive forces in the country, and had acquired a way of thinking that China is merely a land in which only destruction was taking place. Such significant things as constructive achievements, he intimated, were uninteresting to the general run of people, but he cited numerous instances of the remarkable progress that had been taking place within the last 15 years throughout China in civil improvements, road building, railway construction, air transportation and public monumental construction. Other speakers included Mayor Wu Te-cheng, Paul Hsu, Commissioner of Education; Dr. Ford of the Pacific Institute in Tokyo, and Mr. Sivertz of the American-Oriental Baking Corparation. Dr. C. T. Wang's address on Reconstruction will appear in next week's issue of *The Review*.

American Air Experts Train Chinese Aviators

Colonel John Jouett, formerly of the U. S. Army Air Corps, who has been engaged by the National Government to assist in the establishment of an up-to-date flying school, arrived in Shanghai July 8, accompanied by fifteen assistants. Mr. Jouett and his party proceeded to Hangchow, where the school is located. Mr. Jouett has been closely identified with aviation matters in the United States, having lately served as manager of all aviation activities in one of the leading American companies interested in aviation. Among Mr. Jouett's assistants are Lieutenant Cristy Mathewson, son of the famous baiitosser of the major league; and Lieutenant "Lefty" Holbrook, son of Major General Holbrook of the cavalry service of the U. S. Army.

Among those who greeted Colonel Jouett on arrival was Colonel Wu, assistant air officer of the national government. Colonel Wu found, on meeting the incoming air officers, that he had been classmates with more than one-half of them at Kelly Field, Texas and other army training centers. Dr. Harold Cooper, reserve officer with rank of lieutenant colonel in the U. S. Army Air Corps, who has been a Shanghai visitor for some weeks, was also among the group to welcome the flyers.

Agreement on Outside Roads Opposed by Japanese

It is reported that the negotiations that have been going on for the past few months between the Municipal authorities concerning the roads belonging to the Municipal Council extending beyond the Settlement limits have not yet reached an accord. It is stated that all the Foreign Powers except Japan are willing to approve of an eventual agreement. In case Japan refuses to give its O.K. it is intimated that the other Powers may go ahead at any rate. It is the outside roads in the Hongkew district, where Japanese influence is paramount, that have been the principal bone of contention. Persons high in Municipal circles have frequently warned local die-hard interests against opposing the Council's conciliatory negotiations or assisting the Japanese in their opposition tactics, as the net result might be to bring on a crisis, in which case foreigners would probably lose control of the Settlement itself.

Labor University to Remain Open

Assurances that the Government has no intention of closing the Labor University at Shanghai were given by Tseng Chung-ming, to representatives of the faculty of the University July 5 when he received them on behalf of Wang Ching-wei, President of the Executive Yuan. The Labor University was suspended by the Ministry of Education over six months ago when opposition to the President of the institution led to a strike and unruly conduct by the students. Apprehensive lest the University be closed down altogether, a delegation was despatched to Nanking to ascertain the situation. The delegation was informed that the Ministry of Education is formulating plans to re-open the institution and that Wu Cih-hsi, Li Shin-tseng and Dr. Tsai Yuan-pei, veteran Party leaders, were being consulted in the matter.

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NOW AND AT ONCE!

Young Japanese Army Officers Veer Towards Socialism

A recent *Reuter* message from Tokyo stated that the higher Japanese military authorities appear to be frankly worried by the extent to which the junior commissioned ranks have taken up the study of politico-social matters bearing on the economic life of Japan. It is regarded as significant that the so-called "young, officers' group" is said to have adopted as their bible, a book by a would-be social reformer, named Ikki Kita. As originally published, this book, "Nihon Kaizo Hoan" ("The National Reconstruction of Japan,") was suppressed on account of certain references in it to the Imperial House. It was subsequently republished with the objectionable passage removed. On the economic side Kita advocates the prohibition of any individual to hold property exceeding Yen 1,000,000 or land exceeding Yen 100,000 in value, while no enterprise, other than those controlled by the State, is to be capitalized at over Yen 10,000,000. Private property in excess of the maximum stipulated is to be handed over to the state and land exceeding in value the maximum permitted to be divided among the landless peasantry. Amongst the political reforms advocated are the abolition of the peerage and the replacement of Privy Councillors and "other officials in the Imperial Court" by "men of real ability." Labor legislation of various kinds is strongly advocated, along with social reforms of a widely diversified nature.

League Representative Departs for Peiping

Prof. Ben D. Dorfman, expert attached to the League Commission, who has been in Shanghai for several days, departed on Thursday of this week for Peiping where he will assist in the compilation of the Commission's report which is to be submitted to the League in September. Prof. Dorfman is a member of the economics department of the University of California.

The League of Nations Commission of Enquiry now in Japan is expected to return to Shanghai by the N.Y.K. liner *Chichibu Maru* sailing from Yokohama July 15.

Japan's Combined Fleet to Be Inspected During September

The Supreme Military Council at a session in the Imperial Palace at Tokyo, decided on a program for the special inspection of the Japanese combined fleet. According to the program the inspection will take place in the middle of September next. Fleet-Admiral Prince Fushimi, Chief of the Naval General Staff, will be the inspection officer.

Executive Yuan Insists on Registration of Private Origanizations

Suppression of all private organizations which are not legally constituted, was ordered by the Executive Yuan in a telegram to the various Provincial and Municipal Governments July 12. In recent times, the telegraphic order states, countless organizations have sprung up in various cities, created by irresponsible persons at a moment's impulse. With crude and primitive methods, they begin unwarranted and virulent attacks on the Party, the Government and the Kuomintang tenets. Telegrams are sent back and forth among similar organizations and are given publicity by the press. Such tactics are undermining the faith of the public in the Government and are most damaging in their results, the order continues. Their detection is rendered difficult as the organizations go out of existence as quickly as they are born and no one appears to be responsible for utterances issued in the name of such organizations. The local authorities were therefore instructed to exercise strict vigilance in their respective areas, sealing up all "associations" which have not been duly registered.

Unified Control for Conservancy Organs

The establishment of a National Water Conservancy Bureau in order to unify control over the various conservancy organs in the country, is provided for in a proposal jointly submitted by General Chiang Kai-shek and General Huang Shao-hsiung at the meeting of the Central Political Council at Nanking July 11. The proposal also embodies detailed measures for the reorganization of the various water conservancy organs. After brief consideration, the proposal was referred to the Finance, Economic, Foreign Relations and Legislation Committee for joint examination.

China Must Buy Cotton from America

Chinese mill owners must buy 400,000 bales of American cotton this year in order to save the 82 Chinese mills throughout China from going bankrupt, according to the secretary of the Chinese Cotton Mill Owners' Association.

China produced 6,399,730 piculs of cotton in 1931 compared with 8,809,567 piculs in 1930. The Chinese production of cotton in 1931 was said to be the poorest in history and is causing great consternation among the mill owners. In order to cope with the situation of cotton shortage, so far as mill owners are concerned this year, American import of cotton is necessary, it was said.

Statistics compiled by the Chinese Cotton Association show that all the cotton-producing provinces in China are on the decline in their products. While there are many causes for this decline the flood was said to be the chief one. Hunan has 800,000 acres of cotton fields which have been turned into waste land by the flood waters of last year.

Raw Cotton Is Japan's Main Item of Import

Japan's foreign trade for the first ten days of July according to an announcement of the Finance Ministry, resulted in an excess of exports of 7,278,000 yen, the exports being 29,059,000 yen and the import 21,781,000 yen. The main items of exports during the period under review were: Cotton tissues, 6,525,000 yen; cotton yarn, 622,000 yen; raw silk, 4,779,000 yen; and silk cloths, 1,606,000 yen. Raw cotton was the main item of import, the amount being 8,911,000 yen.

Nanking to Draft New Radio Regulations

Definite stipulations for controlling radio stations in Shanghai are now being considered by the Nanking Government, according to W. E. Chao, chief of the radio section, Bureau of International Telegraphs. Regulation, because of conflicting jurisdictions in Shanghai and the problem of extraterritoriality, will be an intricate matter, but it is believed that a temporary co-operative agreement between the municipalities and the Chinese Government can be achieved while negotiations are going on for a broader regulation.

Regulations Issued for Land Registration in Nanking

Provisional regulations governing registration of the ownership of land within the Nanking Municipality have been promulgated by the Nanking Municipal Government following approval by the Executive Yuan. According to the regulations, ownership, to be valid, must be registered with the Bureau of Finance, for which a fee equal to one per millie (one tenth of one per cent.) of the value of the land in question will be charged. Land not thus registered within a year after promulgation of the regulations will be taken over by the Bureau.

Air Service to Be Extended to Chengtu

General Liu Pei-chuan, General Manager of the China National Aviation Corporation, recently arrived at Chengtu, to make arrangements for the early inauguration of the Chungking-Chengtu section of the Shanghai-Chengtu section of the Shanghai-Chengtu air mail and passenger service.

Of the twenty new Curtiss airplanes purchased from the United States by the Corporation, nine have already arrived. The remaining eleven will be shipped from America next month and will be assigned for service on the proposed Shanghai-Canton airway.

Honan Appreciates American Help in Road Building

To mark the appreciation of the Hunan people for the pecuniary assistance which American citizens rendered in the construction of the Siangtan-Yungfengsze section of the Siangtan-Paoking motor road about 10 years ago, when Hunan was visited by a severe famine, the present governor of the province, General Ho Chien, has presented an embroidered scroll to Nelson T. Johnson, the American Minister to China. Mr. Johnson in replying said he hoped that it would be his good fortune again to visit Hunan, and this time to journey over the new roads that have been built.

National Central University Being Reorganized

The Executive Yuan has invited the following to form a special committee for the reorganization of the National Central University which was recently dissolved as a result of the student assalt uson Vice-Minister Tuan Hsi-peng: Dr. Tsai Yuan-pei, Messrs. Ku Meng-yu, Chou Keng-sheng, Yu Ta-wei, Chu Ko-chen, Chien Tien-ao, Chang Tao-fan, Lo Chia-lun and Tan Po-yu.

Tho Ministry of Education has also posted an announcement at the University that students from distant provinces who are unable to return to their homes may apply for permission to remain in the University pending its reorganization.

A deputation of over 30 members of the faculty of the National Central University proceeded to the Executive Yuan July 5 to demand full payment of their salaries in arrears. They were received by a secretary of the Yuan, who assured them that their salaries for the months of January and June will be paid shortly. In respect of their salaries for the monehs of February, March, April and May, the retrenchment program which has been enforced since the Shanghai hostilities in January and February would be applied to the professors as in the cass of other Government employees.

Duplicate Radio Service Agreement Reported Signed

The *China Press* of July 7 intimated that a contract had been signed between a certain vice-minister of the Ministry of Communications of the national government and officials of the International Telephone and Telegraph Company for the inauguration of parallel communication lines to work in competition with the Chinese Government Radio Administration between Shanghai and San Francisco.

The rumor is stated to have caused great consternation among Chinese authorities. The plan of the I.T.T. to run parallel lines would eventually result in the absorption of the Chinese communications by the former interests. It is believed that competition between the R.C.A., which controls the Chinese communications between here and San Francisco, and the International Telephone and Telegraph Company, would be welcomed.

Business Taxes to Be Increased in Kiangsu

General Ku Chu-tung, Chairman of the Kiangsu Provincial Government, has arrived in Nanking to consult President Wang Ching-wei regarding a revision of the ordinary business tax scheduled for the province of Kiangsu. The revision, it is understood, will provide for a slight increase in the rates of the tax. It will be recalled that owing to the straitened condition of the provincial finances, the Kiangsu Provincial Government recently proposed the institution of a "special" or "super" business tax. As the imposition of such a tax would be in contravention of Government orders prohibiting the levy of any taxes of a nature similar to likin, the plan was dropped as a result of the recent conference held between President Wang, General Ku and Minister Soong at Shanghai. In order to solve the provincial financial difficulties, Chairman Ku is submitting to the Government for approval a revised schedule of the rates of the ordinary business tax for Kiangsu.

Spanish Flier Completes Solo Flight from Madrid to Manila

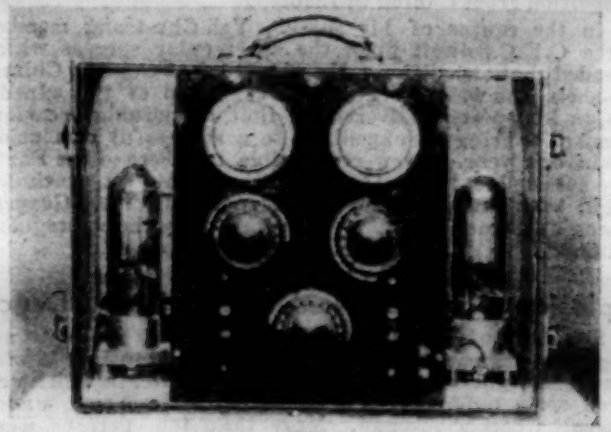
Fernando Rein Loring, the Spanish aviator, has completed his solo flight from Madrid to Manila. The trip was made for pleasure. On the morning of July 10, after numerous delays and after staying at Hongkong for a month he crossed the China Sea landing at Aparri, northern Luzon, in the afternoon. Loring was the first man piloting a light land machine to make a direct flight from Hongkong to the Philippines.

Allowances for U. S. Army and Navy Are Reduced

President Hoover on July 7 signed an executive order reducing the food and rent allowances of U. S. Army and Navy officers Rations were cut to 52 cents (gold) per meal and rent came down to G.$18.

The figures were based on a Department of Labor report that food is now 13⅓ per cent. cheaper and rents are 10 per cent. cheaper than at the time that the previous figures were set.

ALL WAVE
RADIO APPARATUS



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Memorial Service Commemorates Northern Punitive Expedition

A memorial service was held at Central Party Headquarters in Nanking July 9 in commemoration of the sixth anniversary of the launching of the Northern Punitive Expedition from Canton in 1926.

In the course of his speech, Yeh Chu-tsang, member of the C.E.C., dwelt upon the spectacular success which attended that expedition. He recalled that General Chiang Kai-shek, who was entrusted with command of the expedition, in his speech delivered on that memorable occasion, promised to bring the expedition to a successful conclusion within one year. Even responsible members of the Party were not confident that the expedition could be concluded within such an amazingly short space of time. General Chiang's forecast was however borne out by the subsequent events.

Explosion Occurs at Nanking Munitions Depot

Spontaneous combustion due to the heat wave is attributed as the cause of the ignition at Nanking July 10 of a munitions depot outside the West Water Gate, in which was stored some ammunition of the 1st Route Army under General Chen Tiao-yuan. More than ten persons were killed and about thirty wounded. Three hundred houses in the neighborhood were destroyed. Officials of the Ministry of War state that the depot contained 3,000 rounds of trench-mortar shells, 300 rounds of field-gun shells, 300,000 rounds of rifle bullets and 8,000 hand-grenades. Most of these were captured from the erstwhile Kuominchun Army near Lanfeng and Kaifeng, Honan, two years ago by the former 46th Division then under General Chen Tiao-yuan, when a punitive campaign was launched by the Government against the recalcitrants.

Chinese Woman Receives Doctor's Degree from Japanese University

An honorary degree of Doctor of Science was conferred last week by the Kyoto Imperial University upon a Chinese woman, named Tang Wei-sun, whose thesis on the "chemical study of rice dextrine" had successfully passed the examination of the University. This is the first time that a degree of Doctor has been conferred upon a Chinese woman by Japanese University. Miss Tang Wei-sun studied at the Girls' Higher School belonging to the Japan Women's College and at the Tokyo Girls' Higher Normal School. She entered Columbia University in the United States in 1919 and obtained the degrees, Bachelor of Science and Master of Arts. She is now continuing her studies at the Central Chemical Research Institute in Shanghai.

Irregular Taxation in Yangtsze Valley

A Conservative member brought up the question of irregular taxation on the Upper Yangtsze in the House of Commons last week. Captain Anthony Eden, Under-Secretary of State for Foreign Affairs, replied that in view of the present conditions obtaining on the Upper Yangtsze it was manifestly difficult to deal with "such numerous and varied exactions." He added that the difficulties did not affect British trade only. The British representatives in China, he said, at all times took such steps as were possible to ensure that British trade was not unfairly treated, he declared, and these efforts would be continued.

Japanese Department of Agriculture Has Plan to Relieve Farmers

With a view to relieving the depressed agricultural villages, the authorities of the Japanese Department of Agriculture and Forestry have come to agreement to submit an "Agricultural Insurance Bill" to the forthcoming extraordinary session of the Diet for approval. The main features of the bill include the readjustment of debts owned by farmers and the prevention of further debts.

U. S. Famine Relief Chairman Coming Here via Siberia

D. Brown, chairman of the United States China Famine Relief, visited President Hoover in Washington July 8 prior to departing from that city for China by way of Russia to study conditions in China and evolve a new relief plan. President Hoover said that he was deeply sympathetic with the work of Mr. Brown's organisation, and he requested that he be kept informed of developments.

Mrs. Sun Yat-sen Appeals on Behalf of Noulens and Wife

Grave concern over the life of Mr. and Mrs. Noulens, who started a hunger strike July 2, were expressed by Kung Kuan, chief of the Detention House at Nanking, in a report submitted to the President of the Kiangsu Provincial High Court. The two accused, according to the report, evidently intended to starve themselves to death should the Court reject their application for the transfer of jurisdiction and the privilege of having a foreign lawyer to defend them. Mr. Kung reported that following the first hearing last July Mr. Noulens wrote his will. Mr. Kung also urged the Kiangsu High Court to appoint special representatives to assist him in preventing any untoward developments.

Mrs. Sun Yat-sen has headed a movement to insist that the Government either release the prisoners or send them to Shanghai for trial. A "Shanghai Defense Committee" has been formed to urge such action, same having among its members many prominent Chinese and foreign journalists, in addition to prominent people in many walks of life, not only here but abroad.

Dr. Lo Wen-kan Explains the Situation

In a press interview, in Nanking July 12, Dr. Lo Wen-kan, speaking in his capacity as Minister of Judicial Administration described the self-imposed hunger strike of Mr. and Mrs. Noulens as an "unreasonable measure of coercion."

He pointed out that the purpose of the hunger strike is solely to force the Court to grant the application of the accused for the transfer of jurisdiction to Shanghai and employment of foreign counsel to appear in court for their defence.

Regarding the transfer of jurisdiction, the accused ought to have applied to the competent court for such a ruling. It goes without saying that if such an application were filed, the competent court (in this case the Supreme Court) would make a ruling strictly in accordance with Law. The hunger strike which the defendants have imposed upon themselves can not in any way influence such ruling.

As regards the question of foreign counsel, Dr. Lo declared that the point had been repeatedly emphasized by the judicial authorities that the Chinese Law can not be flouted or replaced for the sake of the two defendants.

In other words, the Chinese Court will adhere strictly to law and will not allow its attention to be distracted by any irrelevant and extraneous circumstances. Should the defendant succumb to their own act of folly, it would be entirely their own fault and the Court can not assume the slightest responsibility. Moreover should the Court give in to the unreasonabl demads of the accused, a dangerous precedent would be established which would induce persons accused of crimes to resort to the same tactics as a means of coercing the Court. The rule of law would thus be destroyed.

Cholera Spreads at Various Interior Points of China

Reports from various interior ports of China indicate that the cholera epidemic is spreading. The Central Hospital at Nanking is filled to capacity with cholera patients from all parts of the Capital. The death rate is high. At Nanchang, provincial capital of Kiangsi, the epidemic has developed to such proportions that the Authorities and people alike are growing alarmed. Fukien province, which had previously escaped the disease, is also infected. Cases have already occurred in Chuanchow, Anhai, two ports north of Amoy, as well as in Amoy itself and in the foreign settlement at Kulangsu, opposite Amoy. Formosa has declared Amoy a cholera-infected port.

Silk Industry Bank Is Opened in Shanghai

More than a score of the largest Chinese silk shops in Shanghai are holding a simultaneous cheap sale in order to commemorate the opening of the Silk Industry Bank of Shanghai, in Hankow Road. The bank is supported by practically every Chinese high government official and business leader as revealed by the numerous complimentary board and silver cups presented to the management of the bank on the occasion of the door-opening ceremony held July 7. The new bank has a capital of $600,000. Wang Yen-sung is the general manager. Mr. Wang is also an executive member of the District Chamber of Commerce. The manager of the bank is Tien Hsiang-yu, well known in the silk business.

Shanghai Population Approaches Three Millions

According to the census taken in May by the Bureau of Public Safety of the Municipality of Greater Shanghai, the population of Shanghai, including the two settlements and Chinese areas, reaches the total of 2,720,386. When classified according to various jurisdictions, the population in Shanghai is as follows:—

Jurisdiction of Bureau of Public Safety

Chinese		*Foreigners*
Men	741,766	3,331
Women	532,614	(both sexes)
Total	1,274,380	
Grand Total		*1,277,711*

International Settlement		
Chinese		*Foreigners*
	971,397	36,471

French Concession		
Chinese		*Foreigners*
	421,885	12,922
Grand Total of All Areas		*2,720,386*

British Court Upholds Hardoon Will

Judge Peter Grain in the British Supreme Court July 11 rendered a decision upholding the will of the late Silas A. Hardoon, wealthy Shanghai property owner, bequeathing to his wife Mrs. Liza Hardoon, a Chinese woman, an estate of a value of approximately two hundred thousand dollars. The will had been contested by two distant relatives who claimed that the late Mr. Hardoon had not obtained a domicile in Shanghai, one of the arguments in support of this contention being that China had lost sovereignty over Shanghai. An appeal has been filed.

Cholera Stops Traffic on Part of Lung-Hai Railway

Traffic on the Lung-Hai Railway west of Wensiang, western Honan, has been ordered to be temporarily suspended in order to check the spread of the cholera epidemic which has been raging for some time in Tungkwan and its neighborhood. Wensiang is 20 miles east of Tungkwan. Passengers traveling eastwards are inspected at Wensiang Station.

Latest New York Stock Exchange Quotations

Market:—Steady. Business Done 700,000 Shares

July 10, 1932

1931-1932 High	Low	Div.$ per Sh.	STOCKS	Fri. July 11	Tues. July 12
23½	1⅝	—	Adams Express	2	2⅛
182¾	43½	•6.00	Allied Chemical & Dye	46⅜	45⅜
42¾	4⅛	.50	Allis Chalmers	4⅜	5
129¾	30¼	•4.00	American Can	33¼	32¼
51¾	2	—	Amer. & Foreign Power	2½	2⅜
31½	1⅛	—	Amer. & For. Power W.	1½	1½
58½	5¼	—	American Smelting	7¼	7⅝
201¾	71¾	9.00	American Tel. & Tel.	72¾	71¾
132¾	45	•5.00	American Tobacco "B"	52⅞	51½
80¾	11⅛	2.00	American Waterworks	12	12½
43¼	3	—	Anaconda Copper	4	3⅞
295½	30¼	•4.00	Auburn Automobiles	58	52⅝
87⅞	3⅞	—	Baltimore & Ohio	5¾	6
70⅝	7½	—	Bethlehem Steel	9	8¾
76½	20⅛	•2.00	Borden Company	21¼	21½
30¾	3½		Borg Warner	4	4
45¾	7⅜	1.25	Canadian Pacific Railway	9½	9⅝
131½	17⅝	—	Case, J. I.	25	23⅞
102	19	2.00	Chase Bank	22½	22⅛
54⅛	5	2.00	Chesapeake Corp.	5¼	5¾
25¾	5⅛	1.00	Chrysler	5⅞	6⅛
20¾	1⅞	—	Cities Service Co.	2	2⅛
45⅝	4⅞	1.00	Columbia Gas & Electric	5¾	5⅞
12	1¾	.30	Commonwealth & Southern	2	2
2¾	¼	—	" " warr.	¼	¼
109⅝	33⅝	4.00	Consolidated Gas. of N.Y.	36	35½
12	4	—	Continental Oil	4¾	4¾
86⅝	25	•3.00	Corn Products	27¼	28
5⅞	⅝	—	Curtiss Wright Co.	1	1
78¾	23	4.00	Drug Incorporated	28	27¾
107	22⅜	3.00	Du Pont de Nemours	23¾	23¾
185¾	36	5.00	Eastman Kodak	37⅝	37½
61	5¼	6% S	Electric Bond & Share	6⅛	6
60¾	2⅞	—	Electric Power & Light	3	3¼
38⅜	1	—	Fox Film "A"	1	1
54¾	8⅝	.40	General Electric	9⅝	9⅝
56	19⅞	2.00	General Foods	20⅝	21½
48	7⅝	1.00	General Motors	8	8
84⅛	6⅛	3.00	General Railway Signal	6⅛	6⅝
38¾	9¼	1.00	Gillette Safety Razor	13¾	13¾
42½	8⅜	1.60	Gold Dust	10½	10¼
20⅞	2¼	—	Goodrich Rubber	2½	2½
52¾	5¾	—	Goodyear Tire & Rubber	6¼	6¾
62½	4	—	International Cement	Unq	Unq.
4	½	—	International Combu. Eng.	½	⅝
60½	10½	1.80	International Harvester	11¾	11⅞
20⅛	3⅝	—	International Nickel	5	5
38¾	2¾	—	International Tel. & Tel.	4	4⅝
80¾	10	—	Johns Manville	11½	11¾
31½	5	—	Kennecott	6⅝	6⅛
27¾	1/32	1.61	Kreuger & Toll	1/32	1/16
91¾	34⅛	•4.00	Liggett & Myers, "B"	42½	42¼
63¼	13½	•3.00	Loew's: Inc.	15⅛	15⅜
21⅞	9	1.20	Lorillard P. Co. (com.)	11⅜	11⅝
19	1½	—	Ludlum Steel	2⅛	Unq.
29¼	3⅜	—	Montgomery Ward	4¾	5
108½	23¾	2.00	National City Bk. bid price	26¼	25½
14⅜	2½	—	Nevada Copper	3⅜	Unq.
132¼	9	—	New York Central	12	11⅝
90¼	14⅜	10%S	North American Co.	16	15⅞
54⅞	17¼	2.00	Pacific Gas & Electric	18⅞	19⅛
11⅞	1⅝	—	Packard Motors	1¾	1⅞
50¼	1⅛	—	Paramount—Publix. Corp.	1¾	1¾
64	7	—	Pennsylvania Railroad	7⅝	7½
8½	1	—	Pennroad Corporation	1¼	1¼
16⅝	2½	—	Phillips Petroleum	3⅞	3⅞
96	28⅞	3.40	Public Service of N. Jersey	30	30
27½	2⅝	—	Radio Corporation	3⅝	3⅞
24½	1½	—	Radio-Keith Orpheum	2⅛	Unq.
54½	26⅝	3.00	Reynolds Tobacco "B"	27	27⅛
62¼	10	—	Sears Roebuck	11½	11⅜
10¼	2½	—	Shell Union	3⅞	3¾
23⅜	3	—	Simmons Company	Unq.	Unq.
26½	5⅜	.80	Socony-Vacuum Corp.	7⅛	7⅛
54½	16⅝	2.00	SouthernCaliforniaEdison.	Unq.	18½
88¾	8¼	2.00	Standard Gas & Electric	9⅞	10
54½	20¼	•1.00	Standard Oil of N. Jersey	25¼	25¼
26¼	9⅜	1.00	Texas Corporation	10	10
55¾	12⅛	2.00	Texas Gulf Sulphur	13	13¼
18	2	—	Trans America	2⅞	2⅞
72	15⅝	1.20	Union Carbide & Carbon	16⅞	16⅝
205⅛	28	6.00	Union Pacific Railway	29⅝	29½
38⅞	6⅝	—	United Aircraft & Trans.	8⅛	8⅝
31¼	3⅜	.40	United Corporation	4	4
37½	10½	1.20	United Gas Improvement	12½	12⅞
20⅜	2	—	U.S. Rubber	2⅛	2½
162¾	21½	—	U.S. Steel	22⅝	22½
76¾	5¼	—	Vanadium	7	7¼
20⅜	⅝	—	Warner Bros. Pictures	⅞	⅞
107¾	15⅞	—	Westinghouse E. & M.	18½	16¾
72⅝	23⅛	2.40	Woolworth	25⅛	24¾
*Plus extras			Call Money	2%	2%

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In the United States Court for China

In re. Estate of RODNEY KEELER HEIM, Deceased

Cause No. 3460

Special Proceedings No. 1550

NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of RODNEY KEELER HEIM deceased, to present the same with vouchers to the undersigned on or before January 1st 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

RAVEN TRUST COMPANY

Shanghai, China. Fed Inc U. S. A.

June 29, 1932. 29 Nanking Road,

Shanghai, China.

In the United States Court for China

In re. Estate of JOHN MARTIN HANSEN, Deceased

Cause No. 3459

Special Proceeding No. 1549

NOTICE

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of JOHN MARTIN HANSEN deceased, to present the same with vouchers to the undersigned on or before January 1st 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

RAVEN TRUST COMPANY

Shanghai, China. Fed Inc U. S. A.

June 29, 1932. 29 Nanking Road

Shanghai.

The National City Co. Gold Bond Quotations Received From Head Office

July 7, 1932,

SECURITY	RATE & DATE DUE	Price	Approx Yield %
The National City Bank of New York	Stock	25¼	—
Argentine Government	6 % May 1, 1960	41½	—
U. S. of Brazil	6½% Oct. 15, 1957	17	—
Republic of Finland	6½% Sep. 1, 1956	48½	—
German Central Bank for Agriculture	6 % Oct. 15, 1960	42½bid	—
Kingdom of Italy	7 % Dec. 1, 1951	90¼	8.00
State of Minas Geraes Series "A"	6½% Sep. 1, 1959	11½	—
State of Sao Paulo (Brazil)	7 % Oct. 1, 1940	60	—
American I.G. Chemical Corporation	5½% May 1, 1949	68	9.28
Rhine Westphalia Electric Power Corp.	6 % Apr. 1, 1955	42¼	—
QUOTATIONS RECEIVED FROM LONDON OFFICE			
Republic of China Gold Loan	5 % 1925	59½	—
Chinese Govt. Re-org. (£) Loan Stamped	5 % 1913/60	64	—
Chinese Govt. Re-org. (£) Loan Unstamped	5 % 1913/60	62	—
Chinese Government (Crisp Loan)	5 % 1912	38	—
Shanghai-NankingRailway	5 % 1904/08	28	—
Shanghai - Hangchow-Ningpo Railway	5 % 1908/58	57	—
Hukuang Railway	5 % 1911/1951	14¼	—
Tientsin-PukowRailway	5 % 1958/09	8	—

NOTE: The above quotations are received by cable and whilst believed to be correct are not guaranteed.

The National City Bank of New York, Rates of Exchange

Shanghai, July 12, 1932

Demand selling rate on America:	U.S. 1.00=Sh. $4.8709
Demand buying rate on America:	U.S. $1.00=Sh. $4.7040
Demand selling rate on London:	£1.0.0=Sh. $17.316
Demand buying rate on London:	£1.0.0=Sh. $16.695

Chinese Journalist Weds School-Teacher

The wedding of Hoh Chih-hsiang, assistant editor of the *China Weekly Review*, to Miss Hwang Chia-tseng of Peiping is announced to take place at the Chinese Wei Chung Hotel, on Shanghai July 16. Dr. John C. H. Wu, former President of the Shanghai Provisional Court and now Advisor to the Shangai Municipal Council, will officiate at the ceremony. Mr. Hoh is a graduate of the Comparative Law School of Shanghai. He formerly served on the staff of the *China Press* and the *Kuo Min News Agency*, but is now connected with the *Review*. The bride formerly studied at Nanking and was graduated last year from the College for Girls of the Peiping Government University. During the past year Miss Hwang was engaged in teaching work at several schools in Nanking. She came to Shanghai recently.

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The China Year Book 1932

General Information:
Area and population; coasts, mountains and rivers; people and language; fauna.

Greater China:
Mongolia.—History, tribal organization and government; Mongolian Affairs Conference; Outer Mongolia.
Manchuria.—Position and boundaries, situation, climate, area, population, immigration, history and independence.
Tibet.—Geography, trade, history.
Chinese Turkestan. — History, geography, flora, fauna and trade; Turkestan-Siberian Railway.

Mr. Justice Feetham's Report to Shanghai Municipal Council:
Origin, scope and methods of enquiry; government, history, description, business interests, political and administrative questions and future of Foreign Settlement; suggested reforms affecting Ratepayers' Meetings and Council; origin, present status and future of Outside Roads Areas.

Products (pastoral, agricultural and general):
Wool, skins, bristles, hides, furs, bones, cereals, soya beans, silk cotton, sesamum, tea, oils, tobacco, fisheries, fibres, medicines, sugar, vegetable wax, straw-braid, nuts, timber, eggs, etc.

Colonies, Leased Territories, Concessions and Settlements:
Hongkong.—History, geography, finance, trade, communications, justice, health, education and legislation.
Kwantung.—Area and population, judiciary, posts and aviation, customs, finances and education.
Kwangchowan.
Macao.
Settlements and Concessions: Newchwang, Tientsin, Shanghai, Hankow, Amoy, Canton.

Public Health:
National Health Administration; patent and proprietary medicines; field health service, medical education, prevalence of communicable diseases.

Climate of China:
Monsoons, typhoons, rainfall, temperature, earthquakes, etc.

Geology, Mines and Minerals:
Rock formations of varied types; Governmental legislation and activity in mining: coal, iron, manganese, copper, gold, antimony, tungsten, tin, arsenic, aluminium and non-metallic minerals.

Trade and Commerce:
Early foreign trade.—Origin and development of trade with Portugal, Netherlands, Soviet Russia, America, Germany, Great Britain (British Economic Mission), Japan, France.
Modern trade.—Manchuria, North China, Upper, Middle and Lower Yangtze Ports, coast and river ports; customs; likin; commerical treaties.

Imports:
Cotton goods, yarn and raw cotton, woollen piece-goods, metals and minerals, machinery, electrical materials, timber, paper, petroleum products, chemical fertilizers, dyes.

Customs Revenue and Trade Statistics:
Values of direct trade with foreign countries; foreign trade imports; exports of living animals, food and beverages, materials, manufactured products, gold and silver.

The China Year Book **is the only publication of its kind in existence in China. Its 850 closely-printed pages review China's political, military and trade activities in easy reference form; contain the latest treaty negotiations with Foreign Powers; a Who's Who of nearly a thousand prominent Chinese personalities, and special articles on such subjects as the Kuomintang, floods, labour, currency and like problems. Sino-Japanese relations are dealt with in a special section which contains all relevant documents concerning the boycott, the Manchurian question and the hostilities at Shanghai.**

Mex. $20 net

Less than 10 per cent of the contents of the Year Book is Contained in previous editions, the first of which dates from 1912.

Finance:
T. V. Soong's report for 1929-30; Budget 1931-32; national policy towards debts; Boxer indemnity; new law on salt; tariff autonomy.

Labour:
Conditions in agriculture, handicrafts, mining and modern industry; labour disputes; wages, hours and cost of living Governmental policies.

The Kuomintang:
History of party activities up to February, 1932, fully documented; the Third Party Congress; opposition campaigns; reorganization of Central Government machinery; Chiang-Hu split; National People's Convention; resignation of President Chiang; Shanghai Peace Conference.

Religions:
Confucianism; Taoism; Buddhism; Mohammedanism; Christianity (Nestorianism, Protestant and Catholic Missions).

Shipping:
Customs report, list of shipping lines and vessels in coast and river trade, Hongkong shipping and freight in 1930.

Army and Navy:
Arms, uniforms and equipment; arsenals, arms embargo and cancellation; strength and distribution of armies; foreign garrisons in China; Shanghai Volunteer Corps; Chinese Navy.

Sino-Japanese Issues:
Japanese and Chinese statements of principal points at issue, including report on anti-Chinese riots in Korea, Japanese invasion of Manchuria, disturbances in Tientsin, Japanese seizure of Salt Revenue; Japanese occupation of Heilungkiang; Chinchow and proposed neutral zone; "Independence" movement in Manchuria; Shanghai hostilities. Peace agreement and preliminary report of Lytton Commission.

Chinese Government:
Position of the Kuomintang; Executive, Legislative, Judicial, Examination and Control Yuans; military organs; provincial, municipal and district governments; Provisional Constitution of the Political Tutelage Period; Revised Organic Law; personnel of State Council, legations and consulates, foreign advisers, staffs of customs, salt revenue administration, postal service.

Who's Who:
Including new luminaries in the Chinese political and other horizons, checked up, wherever possible, to May 1, 1932.

Education:
Comprehensive account of Government educational activities and institutions; damage suffered by hostilities.

Public Justice:
How it is organized and administered; survey of modern legislation; list of courts, prisons, etc.

Miscellaneous:
Foreign, diplomatic and consular services; passport regulations; insurance in 1931.

Appendices and Index

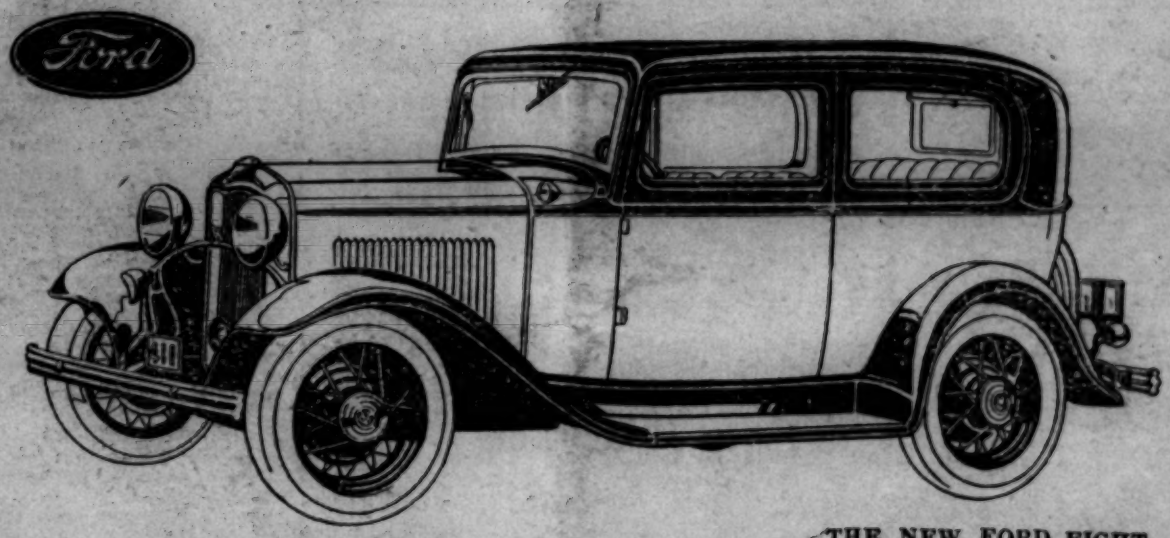
Printers and Publishers:

North-China Daily News and Herald, Limited

Box 707, Shanghai

ANNOUNCING....

THE NEW FORD V-8 CYLINDER



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